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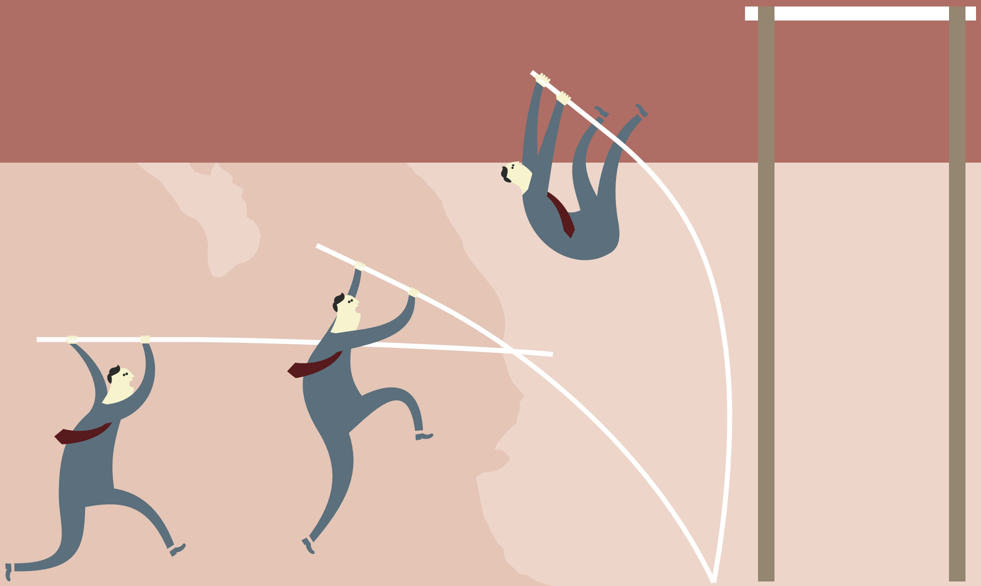
PROSPERITY IN DEPTH: MEXICO

Mexico on the Brink



By Shannon K. O'Neil

2013 LEGATUM PROSPERITY INDEX™ RANKING: MEXICO

59/142

THE LEGATUM INSTITUTE

Based in London, the Legatum Institute (LI) is an independent non-partisan public policy organisation whose research, publications, and programmes advance ideas and policies in support of free and prosperous societies around the world.

LI's signature annual publication is the *Legatum Prosperity Index™*, a unique global assessment of national prosperity based on both wealth and wellbeing. LI is the co-publisher of *Democracy Lab*, a journalistic joint-venture with *Foreign Policy Magazine* dedicated to covering political and economic transitions around the world.

PROSPERITY IN DEPTH

To complement the annual Legatum Prosperity Index, we regularly commission specialists—economists, political scientists, journalists—to provide additional analysis of selected countries. In each case, the Prosperity in Depth papers represent highly original work by distinguished experts that adds depth and insight to the statistical analysis of the index.

FOREWORD

The headlines don't mislead. Mexican society is reeling from the collateral damage of the permanent war on drugs in the Americas, as crime cartels duke it out for control of illicit exports to the US. Indeed, high levels of violence largely explain why Mexico ranked 104th out of 142 countries in the Safety and Security category in the 2013 *Legatum Prosperity Index*™—and why, in spite of a very high ranking (27th) in the Economy category, the country is only 59th in the overall prosperity ranking.

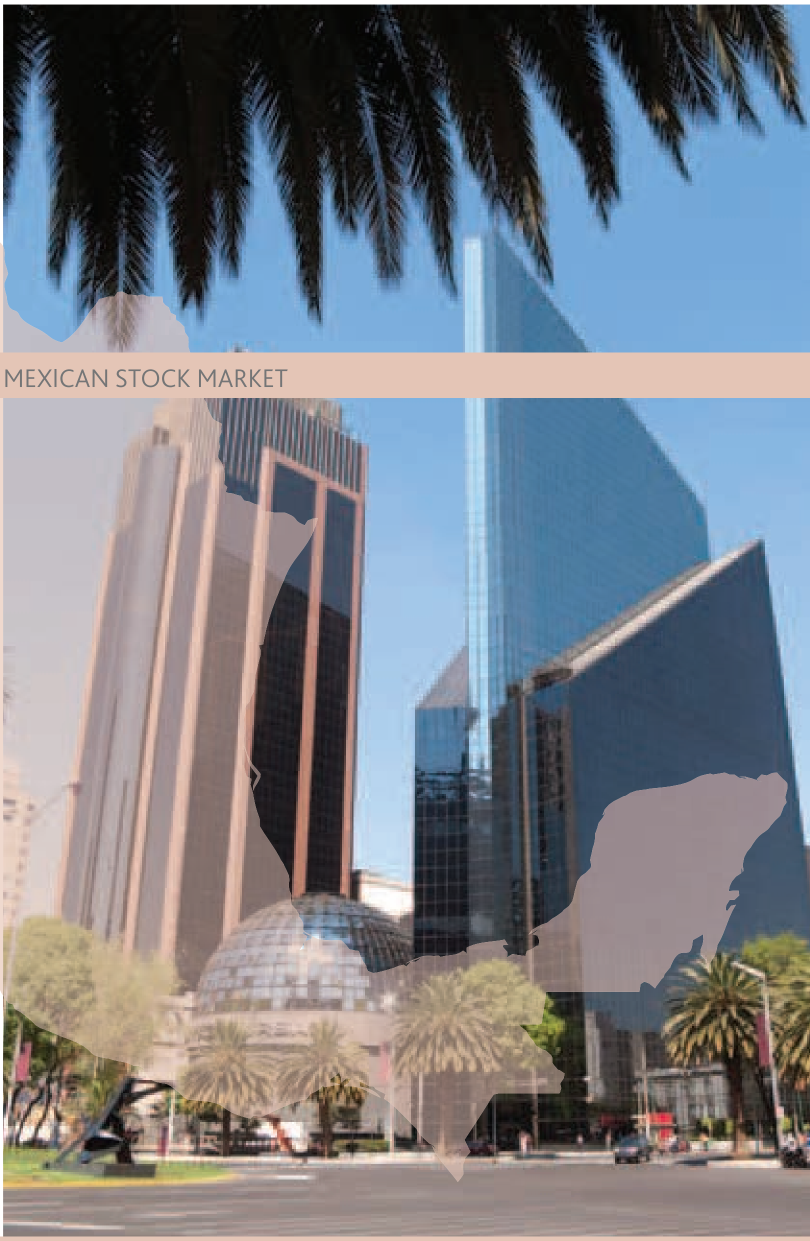
But that's just one element of the story of contemporary Mexico. Here, Shannon O'Neil, a senior fellow for Latin American Studies at the Council on Foreign Relations (and author of the new book, *Two Nations Indivisible: Mexico, the United States, and the Road Ahead*), focuses on Mexico's progress in escaping what development economists call the "middle-income trap".

In the early 1980s, Mexico began to shake off the political and economic torpor created by one-party, Tammany Hall-style rule and self-imposed isolation from the competitive pressures of a rapidly integrating global economy. Reform was initially forced on the country as a condition for relief from the consequences of default on its foreign loans. But it triggered a series of secondary tremors that shook the domestic economic and political landscape, leading first to the free trade agreement with the US and Canada, and then to the opening of the political system to interests that had no stake in preserving a bloated, bureaucratic government and corrupt, state-owned enterprises.

O'Neil picks up the story from there. Arguably the least understood aspect of Mexico's coming of age, she suggests, is the role played by global supply chains in manufacturing. Mexico's combination of competitively priced labour, proximity to the US and Canada, and market-friendly regulation has led to an unprecedented degree of integration between the three economies, powering the growth of Mexico's middle-class.

O'Neil makes it clear that the path forward is not strewn with roses, however. Organised crime still makes life terrifying for millions on a daily basis. Public services—in particular, public education—remain inadequate to meet the challenge of creating a workforce the equal of, say, the US or Northern Europe. The national oil monopoly is still corrupt, poorly managed and woefully lacking in modern technology. But by O'Neil's reading, Mexico really does have a shot at joining the elite club of rich, democratic nations.

Peter Passell, Editor



MEXICAN STOCK MARKET

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The views expressed in this paper are those of the author(s) and not necessarily those of the Legatum Institute.

Mexico on the Brink

The juxtaposition of grave security threats and economic awakening illustrates both violence and growth changes that Mexico's economy and society have undergone over the past three decades.

At 8:30 in the morning, when Adrián Cadena picked us up on the Ciudad Juárez side of the Paso del Norte US–Mexico bridge, the temperature had already hit 90 degrees. We drove for half an hour to reach Villas de Salvárcar, the neighbourhood where, in a case of mistaken identity, his son—an accomplished student and an avid football player—had been gunned down, along with 14 friends, while celebrating a birthday in one of their homes. Cadena took us first to the memorial for the young men, and then to the park next door—replete with basketball courts, football and soccer fields, and even an outdoor theatre space—where he and others have poured their grief, energy and money to help improve the lives of the youths still living there.

Two things struck me that day. One was Cadena's personal resilience and the surprising optimism he conveyed about his city's future. The other was the road out to the neighbourhood, where, despite the ravages of organised crime and gang violence, factory after factory had been built to produce everything from flat-screen TVs to wind turbines to beer. Speaking with the editor of a local paper, I learned that, even at the depths of the city's security crisis, few factories left upped sticks. And now the death toll was declining, more still were arriving.

This juxtaposition of grave security threats and economic awakening illustrates not just the contradictions of Ciudad Juárez, but of Mexico itself. Indeed, both the violence and the growth reflect the fundamental changes that the economy and society have undergone over the past three decades.

MEXICO'S ERRATIC RUSH FORWARD

The most dramatic changes have been in the economy's basic structure. In 1980, Mexico's markets were largely closed to the world, protected by high tariffs, numerous quotas and subsidies, and the anti-competitive muscle of hundreds of state-owned enterprises. Its exports consisted primarily of oil, with most flowing to the United States.

This all began to change in 1982, when declining oil prices and production, paired with escalating interest rates on money borrowed in other currencies, forced Mexico to halt payments on some $80 billion in foreign debt. The ensuing financial crisis crippled the

NEW CARS WAITING AT A SHIPPING DEPOT

economy and sent millions into poverty, but also forced the single-party government to shift course. President Miguel de la Madrid began by cutting patronage spending, reducing subsidies and signing the General Agreement on Tariffs and Trade (GATT), which lowered trade barriers.

The most dramatic changes have been in the economy's basic structure.

His successor, Carlos Salinas, built on these initial steps, privatising hundreds of state-owned enterprises ranging from mining to telecommunications, from steel to airlines. He also re-privatised the banking sector, and downsized the government's development bank, *Nafinsa*. With only energy remaining a government fiefdom, Mexico's public enterprises shed half a million jobs.

To bring in foreign investment (and lock in these economic changes), Salinas negotiated the North American Free Trade Agreement (NAFTA) with the United States and Canada. NAFTA removed all tariffs and most non-tariff barriers to trade in the region. It also included two side agreements setting environmental and labour standards. Most importantly, it tied Mexico to the economies of the United States and Canada at far deeper levels, fundamentally altering the nature of trade and investment, and facilitating the development of complex industrial supply chains.

But NAFTA was no panacea. Within a year of the agreement, bad macroeconomic management (as evidenced in an overvalued peso, weak banking sector and dwindling foreign reserves) pushed Mexico into yet another financial meltdown. In what came to be known as the 1994 Peso Crisis, Mexico's GDP fell precipitously, inflation soared, interest rates shot above 100 percent and millions of Mexicans lost their jobs.

But thanks to NAFTA and the other structural economic changes since 1982 (and in contrast to previous busts), the government did not regress to protectionist policies. Instead, President Ernesto Zedillo doubled down by opening Mexico's economy even further, continuing to privatise state-owned companies and allowing foreign ownership in a growing number of sectors. The combination of a depreciated currency and access to the world's largest (and, at the time, rapidly growing) consumer market spurred an economic rebound.

Exports led the boom, growing four-fold through the 1990s. Manufacturing flourished, attracting tens of billions of dollars in investment, along with the modern technology and supply-chain management methods.

As the economy grew, it also diversified. Oil became much less important as a portion of GDP, falling from a peak of nearly 20 percent in 1981 to around 6 percent today—though it remains the source of roughly one third of the government's revenues. Oil as a percentage of total exports also fell sharply, with manufactured goods picking up the slack and then some.

These dramatic shifts created losers as well as winners. Mexico's rural areas and small-scale farmers were hit the hardest. The combined effects of the rise of large-scale, capital-intensive farming in Mexico and NAFTA-enabled competition from US agribusiness drove some two million Mexicans off the land during the 1990s, and either into Mexico's burgeoning cities or north to the United States.

But many others benefitted, gaining better-paid jobs or simply enjoying the fruits of more competitive markets as consumers. Manufacturing employment grew by over one million. The service sector expanded far more, gaining some 10 million employees during the decade. Consumers enjoyed expanded choices and lower prices for everything from food to clothing to cars. The importance of the latter to Mexican living standards is hard to exaggerate: according to a study by Tufts University's Global Development and Environment Institute, the price of household goods in Mexico dropped by half following NAFTA's implementation.

Fast forward to today. The Mexican economy continues to open up. It has signed free trade agreements with some 40 nations. Moreover, the ratio of total trade (imports plus exports) to GDP is in excess of 60 percent. That figure far exceeds the ratios for the United States and Brazil, and even rivals that of China. Moreover, unlike many other open economies in Latin America, Mexico's exports are mostly manufactures. This leaves the economy less susceptible to price swings in commodities, though still tightly bound to the vicissitudes of US demand for imports.

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THE NEW MIDDLE CLASS

While the rising tide has not lifted all boats, it has expanded Mexico's middle class. We traditionally think of Mexico as a country of haves and have-nots—the Carlos Slims of the world alongside tens of millions mired in poverty. Yet between these extremes is a growing, vibrant middle.

To be sure, there is considerable disagreement about where to draw the line between the poor and the middle class. Some analyses use quite expansive measures that include within the middle class a lot of people who would be considered abjectly poor by OECD standards. A more demanding metric is used by Mexico's National Council of Evaluation of Social Development Policy (CONEVAL), the government agency charged with measuring poverty. Taking into account access to basic services, such as healthcare, education, social security, housing and food, as well as income, CONEVAL estimates that 55 percent of Mexicans no longer live in poverty.

An interesting alternative approach offered by a group of Brookings Institution scholars applies the poverty line used in Portugal and Italy—the lowest-income advanced European countries—as the lower limit of the global middle. The upper limit is set at twice the average income in Luxembourg, the European nation with the highest per capita income. Thus by their calculation, the global middle class consists of individuals with incomes between $4,000 and $37,000 in terms of purchasing power, which puts roughly 60 percent of Mexico's population in the middle class.

No matter which measure is used, a far larger portion of Mexicans have access to a middle-class lifestyle than, say, two decades ago. Today, over half of Mexican households own cars, one-third own computers, and nearly all have cell phones and TVs. The majority live in houses or apartments that they own—a percentage boosted by the construction of nearly seven million dwellings between 2000 and 2009.

Where once the primary route to a middle-class income was employment in a state agency or enterprise, the opportunities now largely lie in private sector jobs that run the gamut from taxi drivers to skilled factory workers to mid-level managers. Note, too, that the middle class is overwhelmingly urban, which should be no surprise since three-out-of-four Mexicans now live in cities.

It is not just where Mexicans work and what they do that has changed, but who is working. The number of women in the workforce has more than doubled over the past three decades to

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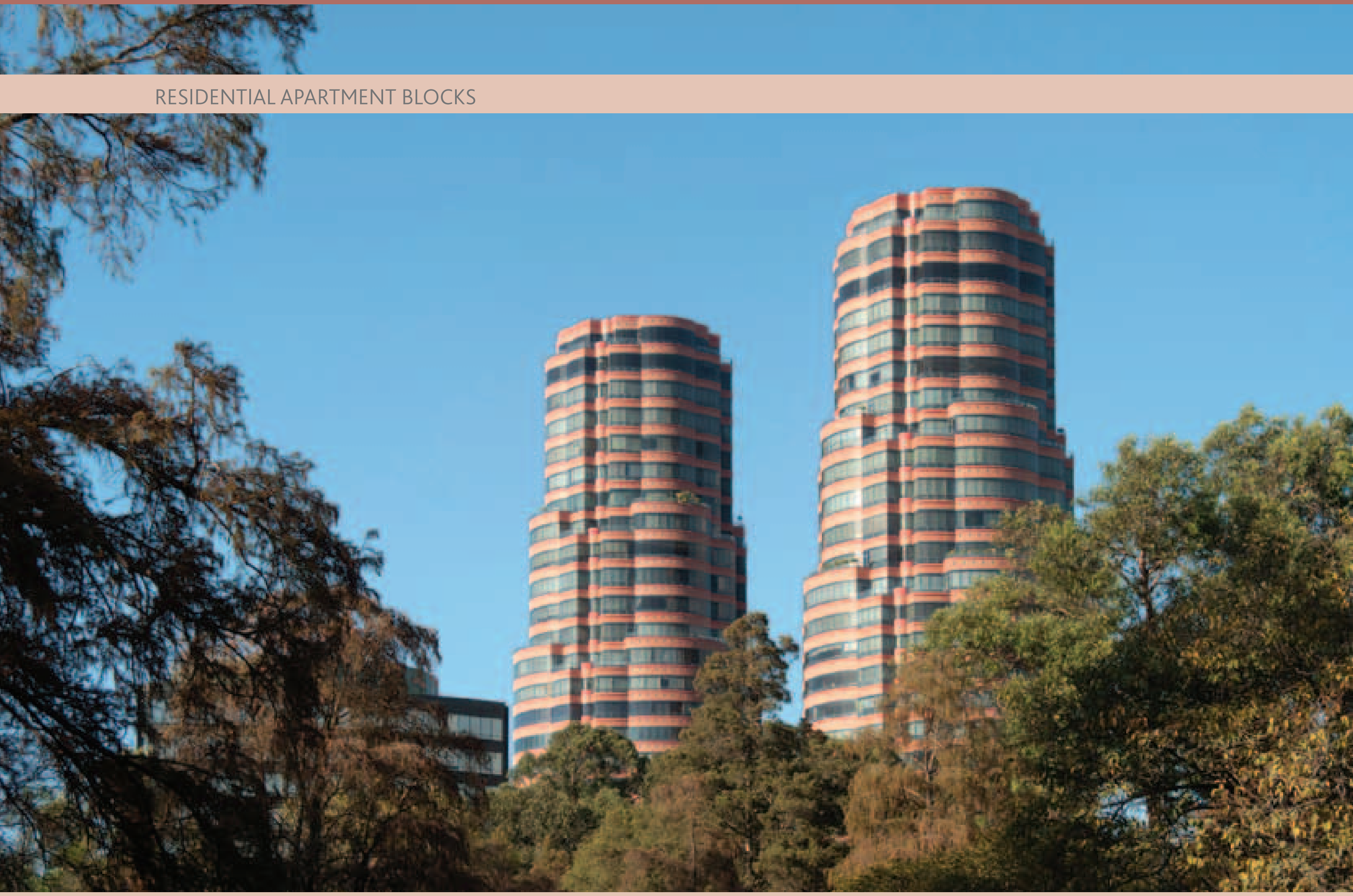
RESIDENTIAL APARTMENT BLOCKS



45 percent, making dual-income households fairly common. Family structure has shifted as well, with women-led households on the rise; they now represent roughly one-in-four homes. And instead of the big families of the past in which seven children was typical, the average number per family is closer to two—a rate not much higher than in the United States.

Parents are also investing more in their smaller families. The average years spent in school have doubled from a mere four years in 1980 to 8.5 in 2012. Enrolment in universities has also tripled over this period, to almost three million today. And, reflecting the reality that public school education varies from merely decent to quite bad, many Mexicans are spending the extra years (and pesos) in private educational institutions.

The macroeconomic impact of the growth of the middle class can be seen in the public's willingness (and ability) to spend on consumer goods. Indeed, over the past six years of turbulence in the global economy, private consumption has been one of the most stable components of Mexico's GDP growth. Household investment in education has played a role in powering growth, too, both as a source of aggregate demand and as a source of productivity gains. In fact, the ongoing investment in human capital may prove decisive in allowing Mexico to escape the "middle-income trap"; a common

US BORDER WITH MEXICO

phenomenon among developing economies in which the growth rate slows before living standards reach the level of the highly industrialised countries of Europe, North America and East Asia.

Moreover, the economic middle has also begun to flex its political power. The middle class was pivotal in voting out the long-ruling Institutional Revolutionary Party (PRI) in 2000, and then voting it back in last year in a very different political environment. Middle-class voters are no longer in any one party's pocket, and theories abound about how their growth in numbers (and independence) will affect future politics. But most scholars see them as the rock on which a stable, responsive democracy can be built.

NORTH AMERICAN INTEGRATION

As Mexico's economy transformed, so did its ties with the United States. While always interdependent—the countries share a 2,000-mile border—in the 20 years since NAFTA was signed these ties have changed in fundamental ways. Trade has increased five-fold to half a trillion dollars' worth of goods flowing back and forth each year.

More important, Mexican supply chains are becoming ever more integrated with US companies and factories.

For nearly half of US states, Mexico is the first or second most important export destination. Texas and California dominate the trade picture (some $8 billion and $2 billion in goods are exported each month, respectively). But states with very different economies that are far from the border—such as South Dakota, Nebraska and New Hampshire—send at least 20 percent of their international exports to Mexico.

The nature of this trade, as well as the volume, has changed. Components, as opposed to finished goods, have come to dominate the exchange; a result of North America's deeply integrated supply chains. Today, for every US product labelled "made in Mexico", an average of 40 percent of the value was added by American workers. In comparison, this number is closer to four percent for Chinese, Brazilian and European goods. Even for Canada, the other NAFTA partner, US value-added is just 25 percent.

One of the most integrated sectors is automobiles, now truly a North American industry. Production and assembly routinely span the borders. As parts are combined into components, components into systems and modules, and finally the modules into finished cars, an individual vehicle will cross the border several times. In fact, more than one quarter of each US-made car comes from abroad, with the largest percentage of value-added coming from Mexico. This back-and-forth is not limited to vehicles, but also includes goods from TVs to washing machines to cell phones.

Some worry that, while these trends are helping US companies cut costs, they are ultimately hurting US workers. Indeed, many US factories have closed down as their owners sent production abroad. But others have opened—and often because of this overseas production, as companies stretch their supply chains to include the United States. Using data obtained from thousands of multinational businesses, two Harvard Business School professors and a University of Michigan colleague showed that as companies ramp up investment abroad, they also invest more in the United States.

In fact, the study "Domestic Effects of the Foreign Activities of U.S. Multinationals", by Desai, Foley and Hines, found that when a company hires ten employees outside the United States, it will actually hire (not lay off) two workers at home. In part, this is because these companies are capturing more consumers with their expanded local presence, for example, benefiting from the spending of the growing middle classes in places such as Mexico. But it also results from making supply chains more efficient

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and competitive, which in turn means companies can increase their global sales, benefiting workers and shareholders wherever they are based. By "near-shoring" (opening factories in Mexico), major US businesses, including Ford, Caterpillar, General Electric, Honeywell and Hewlett-Packard, have saved or added US jobs in the process.

The search for new markets and more efficient supply chains has encouraged many Mexican companies to invest in the United States. Mexican transplants include dozens of auto part companies and agribusinesses, as well as the US' largest commercial baker (Bimbo), top cement supplier (Cemex) and fastest-growing luxury movie theatre chain (Cinepolis).

Whilst Mexico is improving in terms of business sophistication and innovation the country falls down on personal safety.

WHAT'S HOLDING MEXICO BACK?

While the World Economic Forum's Global Competitiveness reports offer evidence that Mexico is improving in terms of business sophistication and innovation (as measured by indicators such as R&D investment), Mexico falls down on personal safety. Other reports echo these security concerns. The 2013 Legatum Prosperity Index ranks Mexico in the bottom third of the pack in its ability to provide national security and personal safety—a reality that reduces this upper-middle-income country's overall prosperity ranking to a disappointing 59th (behind, among others, Sri Lanka, Belarus and Saudi Arabia). Freedom House's "Freedom in the World" report also cites Mexico's inability to control violence as part of the reason for the country's "partly free" classification (down from "free" in 2010).

With some 80,000 killed and tens of thousands more Mexicans missing due to drug-related violence during Felipe Calderón's presidential term (2006-2012), the threat is all too clear. The violence extends past the country's well-known homicide rates to include extortion, kidnapping, human trafficking and robbery.

These crimes loom large in the consciousness of average Mexicans. According to a 2012 study by Latinobarómetro (a non-profit polling firm based in Chile) more than 40 percent of Mexicans claimed that family members had been victims of crime in the past year—the highest rate of any Latin American country. The impact reverberates through Mexican society, corrupting government, undermining civil liberties and slowing the pace of investment.

The collateral damage is most obvious in the country's justice system. The number of convictions is shockingly small. México Evalúa, a Mexican public policy think tank, reports that only two out of every ten murders ends with a conviction. Meanwhile, the

DRUG-RELATED VIOLENCE IN JUAREZ

Mexican Institute for Competitiveness (IMCO) estimates that the conviction rate for all crimes is closer to 2 percent, creating little deterrence to a life of crime.

To address these deep-seated problems, Mexico pushed through a comprehensive judicial reform in 2008, with a 2016 implementation deadline. The legislation (when and if enabled) will fundamentally change the justice system, moving from written to oral trials, strengthening due process and the assumption of innocence until proven guilty. Preliminary findings from jurisdictions already implementing the system confirm that it is both quicker and more efficient in resolving cases, and that it allows prosecutors to prioritise severe offences—leading to longer average sentences for serious crimes. The bad news, though, is that implementation has been slow; roughly one-third of Mexico's states have yet to begin the transition process.

And while the Mexican economy has opened and diversified, it is still handicapped by institutional weaknesses. Among the most important is the lack of competition, not only in highly visible industries (notably telecommunications), but in industries as varied as glass, cement, corn flour, soft drinks, sugar and bread. This undermines living standards. In spite of the changes wrought by NAFTA, the OECD estimates that Mexican consumers pay 40 percent more for basic goods and services than they would

STORE IN PLAYA-DEL-CARMEN, QUINTANA ROO STATE

in highly competitive markets. Lingering market power also slows innovation by deterring start-ups and challenges to the status quo by other incumbent companies.

One cause of the market concentration that has impaired competition, ironically, was the economic opening of the 1980s and early 1990s. The opaque privatisation processes, during which those close to the PRI were offered lucrative deals, created several of the monopolies and duopolies that dominate sectors of Mexico's economy today.

The Mexican government has taken some initial steps toward fostering greater competition. In 2007, the Supreme Court struck down the notorious Televisa law, which would have ensured the continuation of the telecommunications duopoly. And a 2011 ruling allowed for regulatory edicts, even if contested, to go into effect immediately (rather than after the companies had bought time through legal appeals). In 2013, Mexico's Congress followed suit, passing a telecommunication reform that should begin to

OECD estimates that Mexican consumers pay 40 percent more for basic goods and services than they would in highly competitive markets.

chip away at the power of Mexico's media and telecom moguls. It created a new regulator with broader powers, added two new national television channels, and opened up the telecom market to foreign companies.

Another barrier to competition and innovation, in particular to competition from smaller firms, is access to credit. Consumer credit (ie, home mortgages, car loans and credit cards) has entered the popular lexicon, a total transformation from just a few decades ago. However, according to the World Bank's *Ease of Doing Business Index*, credit lags on the business side, ranking 40th , which is behind little-admired economies including Ukraine and Guatemala.

Inferior physical infrastructure is also a drag on Mexico's potential. Less than 40 percent of Mexico's roads are paved; much of Mexico's meagre 27,000 kilometres of rail were laid over a century ago; ports and airports have not kept pace with the growing population and economy. But despite the clear necessity, infrastructure has not been a government priority. Spending is just half the rate required to eliminate the basic transportation infrastructure deficit in the coming decade—though the Peña Nieto government has announced it will significantly boost infrastructure construction under his stewardship.

Economic inequality is another pervasive challenge. Though there have been slight improvements over the past decade, it is still a country with both extreme poverty and fantastic wealth. Arguably as important, economic mobility is low. The Espinosa Yglesias Study Center (CEEY) estimates that among those born in the bottom 20 percent of the income distribution, half will remain there. Those who do escape generally make it up just one rung, from subsistence (or less) to struggling working class.

This inertia is present at the top end as well. The wealthy generally remain so from generation to generation, regardless of talent. And this combination of substantial poverty and low mobility affects everything from teen pregnancy to crime to political stability to growth.

Mexico's weak public education system exacerbates this inequality, not just in terms of income but also opportunity. While more children are in school and are studying for longer, the quality is mixed, at best. Mexico's students fill the lower rungs among OECD countries on standardised tests in reading, maths and science.

One barrier to improvement is the powerful teachers union, whose members appear better at protecting their benefits than instilling knowledge. For instance, many local governments have no way of finding out how many teachers are supposed to show up at each school, much less whether they did show up and are

The Mexican government has taken some initial steps toward fostering greater competition.

actually doing their jobs. A recent education reform should begin to address some of these issues. But improving Mexico's public school system will be a long road and one in which the country has already fallen behind emerging markets in Asia.

MEXICO'S WAY FORWARD

All told, Mexico is doing better than many analysts expected, but is still not reaching its potential pace of advancement. While the recent 3 to 4 percent GDP growth is welcome news, it is below the rate the country needs to move up the global economic ranks—and more important, to break out of the middle-income trap that leaves few resources available to improve the quality of life for have-nots. In short, opening the economy to the global winds was necessary, but not sufficient to assure long-term development.

Mexico is now at a crossroads. It could continue down a path of growth and social change to become a leading democracy with an energetic middle class, and an important voice on issues from global economic policy to human rights. Or it could become bogged down by its many challenges; violence, interest-group politics and the corrupting call of crony capitalism. Much rides on the outcome, especially for many of Mexico's 112 million citizens who do not yet enjoy the living standards of other OECD countries. But in an ever more integrated global economy, what happens to Mexico's matters to the rest of the world and, in particular, to the United States.

GDP growth is still below the rate the country needs to to break out of the middle-income trap.

FISH MARKET IN ENSENADA

OVERALL RANKING: (TOTAL 142)

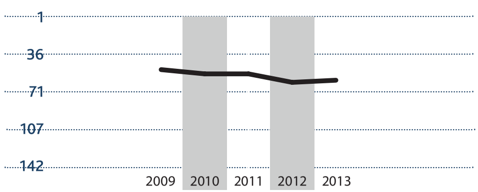
59

MEXICO

AMERICAS RANKING

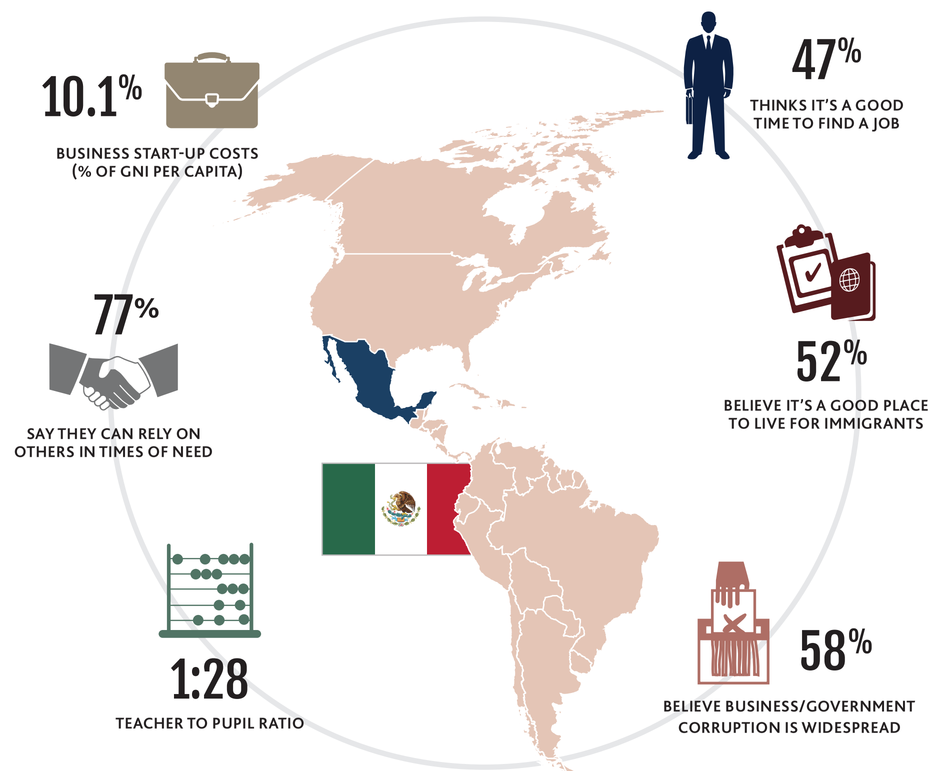
Canada	3
United States	11
Uruguay	30
Costa Rica	31
Chile	35
Panama	40
Trinidad and Tobago	42
Argentina	45
Brazil	46
Jamaica	56
Mexico	59
Belize	65
Colombia	67
Paraguay	68
Dominican Republic	70
Nicaragua	73
Ecuador	74
Peru	75
Venezuela	78
El Salvador	85
Bolivia	86
Guatemala	90
Honduras	96
Haiti	134

PERFORMANCE



"This decline over five years is, in part, due to the addition of 32 new countries in the 2012 Prosperity Index. In this instance, three of these new countries placed above Mexico."

- » Mexico moved down seven places to 59th on overall Prosperity between 2009 and 2013.
- » The Economy sub-index increased by three places to 27th, due to increases in economic expectations and volatility-adjusted FDI.
- » The Social Capital sub-index moved down twenty-five places to 76th, mainly because of decreases in perceptions of social support and helping strangers.



DATA IN FOCUS:

SUB-INDICES

		Year	Data	Global Av.
27	**ECONOMY**			
	5 year growth rate	2011	0.3%	2.7%
	Confidence in financial institutions?* (% yes)	2012	45.5%	59.5%
	Satisfaction with living standards?* (% yes)	2012	79.0%	58.2%
73	**ENTREPRENEURSHIP & OPPORTUNITY**			
	R&D expenditure (% of GDP)	2011	0.6%	0.8%
	Mobile phones (per 100 ppl)	2012	86.8	103.9
	Will working hard get you ahead?* (% yes)	2012	79.0%	81.0%
66	**GOVERNANCE**			
	Confidence in the government?* (% yes)	2012	38.9%	51.5%
	Confidence in the judiciary?* (% yes)	2012	30.5%	52.1%
	Government effectiveness [1]	2011	0.32	0.04
82	**EDUCATION**			
	Gross secondary enrolment rate	2011	90.7%	79.3%
	Satisfaction with education quality?* (% yes)	2012	59.5%	66.3%
	Perception children are learning?* (% yes)	2012	59.7%	70.2%
52	**HEALTH**			
	Self-reported health problems?* (% yes)	2012	18.6%	23.9%
	Hospital beds* (per 1000 people)	2010	1.7	3.1
	Satisfaction with health?* (% yes)	2012	86.4%	78.2%
104	**SAFETY & SECURITY**			
	Human flight [2]	2012	6.2	5.3
	Safe walking alone at night?* (% yes)	2012	55.0%	62.8%
	Property stolen in past 12 months?* (% yes)	2012	20.4%	16.5%
81	**PERSONAL FREEDOM**			
	Civil liberties [3]	2012	5	4.7
	Tolerance for ethnic groups?* (% yes)	2012	61.8%	68.0%
	Satisfaction with freedom of choice?* (% yes)	2012	78.8%	71.7%
76	**SOCIAL CAPITAL**			
	Volunteered time in past month?* (% yes)	2012	26.8%	20.1%
	Donated to charity in past month?* (% yes)	2011	22.9%	28.3%
	Helped strangers in past month?* (% yes)	2012	40.9%	47.9%

NOTES: [1]Gov. effectiveness: values range from -1.66 to 2.25, higher values indicate higher effectiveness. [2]Human flight: values range from 1 to 10, higher values indicate higher levels of human flight. [3]Civil liberties: values range from 1 to 7, lower values indicate lack of civil liberties. *Survey data are taken from Gallup World Poll.

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