

No. 94
June 2011

MERCATUS ON POLICY

FREEDOM IN PENNSYLVANIA

By William Ruger and
Jason Sorens



MERCATUS CENTER
George Mason University

WE CREATED *Freedom in the Fifty States* to develop an index of economic and personal freedom in the American states. Specifically, we examine state and local government intervention across a wide range of public policies, from income taxation to gun control, from homeschooling regulation to drug policy. The full index, complete with data and methodology notes, is available at <http://mercatus.org/freedom-50-states-2011>.

This issue of *Mercatus on Policy* focuses specifically on the Commonwealth of Pennsylvania and how it compares to other states in its fiscal, regulatory, economic, and personal freedom. While freer than many of its neighbors, Pennsylvania still ranks below the median American state on three of our four measures of freedom. Overall, Pennsylvania shows a decrease in freedom from the last version of this index and has substantial room for improvement.

MEASURING FREEDOM

WE GROUND OUR conception of freedom on an individual-rights framework, following the natural-rights liberalism of John Locke, Immanuel Kant, and Robert Nozick while remaining consistent with the philosophy of rights-generating rule utilitarianism. We seek to measure how well American state and local public policies conform to this ideal regime of maximum individual freedom.

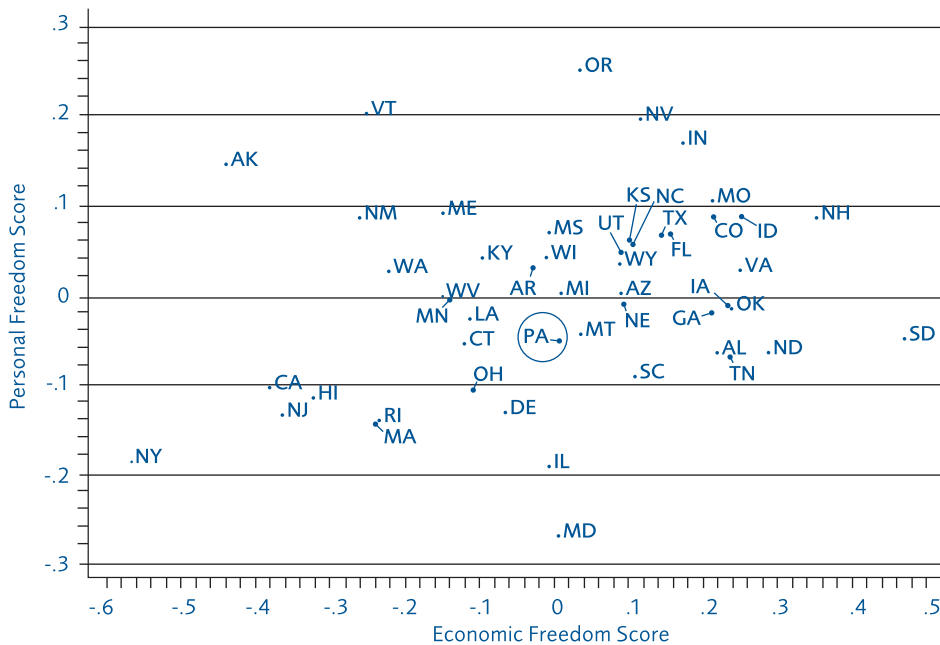
For the purposes of this study, we examine three constituent parts of freedom:

fiscal policy: spending and taxation policy

regulatory policy: regulatory questions including labor regulation, health insurance mandates, occupational licensing, eminent domain, and land use

paternalism: laws on education, marriage and civil unions,

FIGURE 1: FREEDOM IN THE STATES



gambling, marijuana, alcohol, tobacco, victimless crimes, and firearms

In all, we consider over 100 variables. More information about how these variables are constructed is available in the full study.

Our approach to measuring freedom in the states is unique in three respects: (1) it includes measures of social and personal freedoms such as peaceable citizens’ rights to educate their own children, to own and carry firearms, and to be free from unreasonable search and seizure; (2) it incorporates more than 150 distinct public policies; and (3) it is particularly careful to measure fiscal policies in a way that reflects the true cost of government to the citizen.

WHERE DOES PENNSYLVANIA STAND?

PENNSYLVANIA FALLS THREE spots this year to 31st freest state. Put another way, the Keystone State is the 20th least free. At #27 in economic freedom and #35 in personal freedom, it is less free than the average American state. The only bright spot for the state is that it is located in one of the least free regions of the country—four of its six neighbors rank in the 10 least free states nationwide—so Pennsylvania looks good by comparison.

Fiscal Policy

THE STATE IS mediocre on fiscal policy but much better than average on government employment. Transportation and

social services spending are notably higher than average, even given the state’s density, grant funding, and poverty rate.

Regulatory Policy

PENNSYLVANIA IS ONE of only three states to have no form of community rating in small group and individual health insurance (Hawaii and Virginia are the other two). However, mandates are rather high and have been rising in recent years, raising the price of health-insurance policies by at least 42.9 percent. Occupational licensing is rare. Eminent domain has been partially reformed, but asset-forfeiture law is quite bad.

Paternalism

FOR A NORTHEASTERN state, Pennsylvania’s gun-control laws are not awful, while marijuana sentencing is reasonably humane, even though the state has not decriminalized it at all. Pennsylvania has dramatically liberalized gambling, adding quite a bit to the state treasury. The state’s home-school laws are perhaps the worst in the country, and its private-school regulations are not much better. Smoking bans have recently been implemented, but there is a “ventilated area” exception for restaurants, and bars are simply required to have non-smoking sections.

POLICY RECOMMENDATIONS

TO BECOME MORE free, Pennsylvania should consider these recommendations:

FREEDOM IN PENNSYLVANIA AT A GLANCE: HOW DOES PENNSYLVANIA COMPARE TO ITS NEIGHBORING STATES?	
Pennsylvania	31st Freest Overall
West Virginia	36th Freest Overall
Delaware	39th Freest Overall
Ohio	42nd Freest Overall
Maryland	43rd Freest Overall
New Jersey	49th Freest Overall
New York	50th Freest Overall

FREEDOM IN PENNSYLVANIA AT A GLANCE: HOW DOES PENNSYLVANIA COMPARE TO OTHER STATES?	
Fiscal Policy	34th Freest
Regulatory Policy	23rd Freest
Economic Freedom	27th Freest
Personal Freedom	35th Freest
Overall Freedom	31st Freest
Change in overall freedom ranking since 2007	-3


1. Liberalize homeschooling by eliminating teacher qualifications and reducing burdensome testing, recordkeeping, and notification requirements. Eliminate private-school teacher licensing and prior approval for opening.
2. Allow guns to be carried in a car without a permit and end nonpowder gun regulations, dealer licensing, the background check requirement for private sales, and the trigger-lock requirement.
3. Roll back a host of minor taxes that are relatively high by national standards, such as utility, selective sales, and sin taxes.

allows states to pursue different policies in a range of important areas. The policy laboratory of federalism has been compromised by centralization but is still functioning.

Two of the most intriguing findings of our complete statistical analysis are that Americans are voting with their feet and moving to states with more economic and personal freedom and that economic freedom correlates with better income growth. As Americans grow richer in future years, quality of life will matter more to residence decisions while the imperative of decent employment will decline by comparison. High-quality information on state legal environments will matter a great deal then to those seeking an environment more friendly to individual liberty and to states interested in attracting such people.

CONCLUSION

A READER MIGHT ask if a state's placement in this ranking really matters. After all, variance in liberty at the state level in the United States is quite small in the global context. Even New York, the lowest ranked state in our index, provides a much freer environment for the individual than the majority of countries. There are no Burmas or Zimbabwes among the American states. Still, we do find that our federal system



The Mercatus Center at George Mason University is a research, education, and outreach organization that works with scholars, policy experts, and government officials to connect academic learning and real-world practice.

The mission of Mercatus is to promote sound interdisciplinary research and application in the humane sciences that integrates theory and practice to produce solutions that advance in a sustainable way a free, prosperous, and civil society.

William P. Ruger is an affiliated scholar with the Mercatus Center and an assistant professor in the Department of Political Science at the Texas State University - San Marcos. His research interests include international politics, security studies, civil-military relations, U.S. foreign policy, ethics and international relations, and political theory.

Jason Sorens is an affiliated scholar with the Mercatus Center and an assistant professor in the Department of Political Science at the University of Buffalo (SUNY). His research interests include fiscal federalism, secessionism, ethnic violence, and comparative federalism.