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FREEDOM IN VIRGINIA

By William Ruger and
Jason Sorens



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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 Virginia, examining how Virginia compares to other states in its fiscal, regulatory, economic, and personal freedom. Overall, Virginia has much of which to be proud though it could benefit from improving some of its fiscal policies and its policies affecting personal freedom.

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.

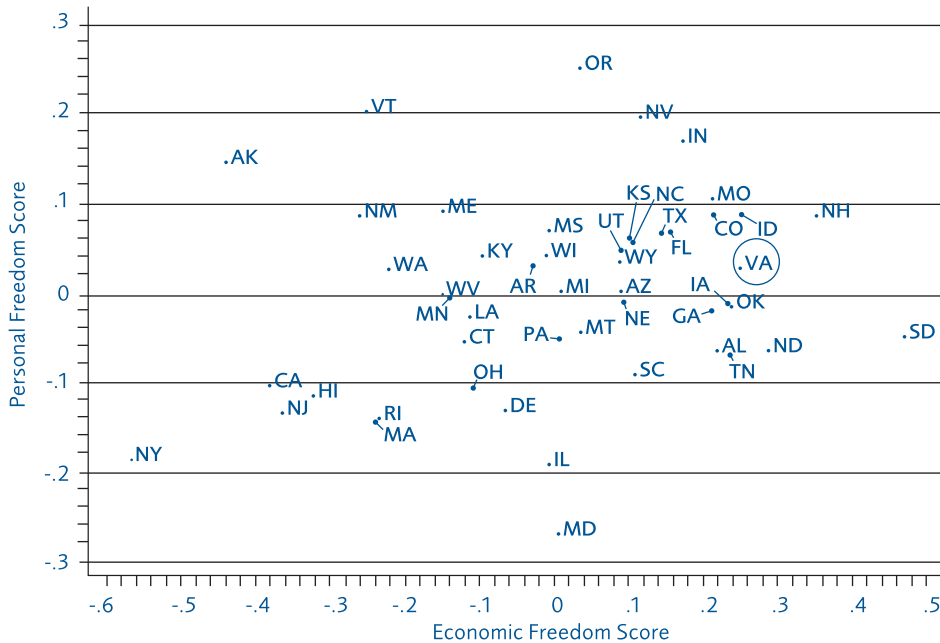
For the purposes of this study, we examine three constituent parts of freedom:

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

FIGURE 1: FREEDOM IN THE STATES



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 VIRGINIA STAND?

VIRGINIA DOES QUITE well in the rankings, coming in 9th overall. By our count, it is also the freest state in the South. However, like the other states below the Mason-Dixon line, Virginia fares better in terms of economic freedom (#5) than personal freedom (#22).

Fiscal Policy

VIRGINIA’S TAX BURDEN, government spending, and debt are all well below national averages. However, state and local government employment is essentially at the national average.

Regulatory Policy

AS ONE MIGHT expect given its history with tobacco, Virginia’s cigarette tax is quite low and smoking is not banned in private workplaces. However, the state does have some smoking restrictions. Moreover, its spirits tax rate is the third highest in the country. Labor laws are solid. Like Hawaii and Pennsylvania, Virginia has no form of community rating for health insurance. However, coverage mandates are extensive. Indeed, Virginia has more than just about any other state, adding significantly to the cost of insurance. Natural gas and cable have been “deregulated” to the consumer. The state has one of the best liability systems in the country, and it has improved on eminent domain since the last edition of the index.

Paternalism

GUN LAWS ARE decent, with much room for improvement. However, open carry is allowed. Virginia is schizophrenic on education, requiring 13 years of mandatory schooling, including kindergarten, and imposing significant standardized testing and notification requirements on homeschoolers, but otherwise leaving both private and home schools alone. The state has below-average numbers of arrests for victimless crimes, and its drug-law enforcement rate is also quite respectable (especially among its Southern peers). However, Virginia’s asset-forfeiture laws could really be improved.

FREEDOM IN VIRGINIA AT A GLANCE: HOW DOES VIRGINIA COMPARE TO ITS NEIGHBORS?	
Virginia	9th Freest Overall
Tennessee	16th Freest Overall
North Carolina	18th Freest Overall
West Virginia	36th Freest Overall
Kentucky	32nd Freest Overall
Maryland	43rd Freest Overall

FREEDOM IN VIRGINIA AT A GLANCE: HOW DOES VIRGINIA COMPARE TO OTHER STATES?	
Fiscal Policy	13th Freest
Regulatory Policy	4th Freest
Economic Freedom	5th Freest
Personal Freedom	22nd Freest
Overall Freedom	9th Freest
Change in overall freedom ranking since 2007	-2

POLICY RECOMMENDATIONS

TO BECOME MORE free, Virginia should consider these suggestions:


1. Revise asset-forfeiture laws to make it more difficult for government to seize assets and reduce the incentive to do so by lowering the percentage of proceeds that go to law enforcement.
2. Reduce the number of state and local government employees to levels consistent with the state's low levels of spending and taxation.
3. Reduce the spirits tax to be consistent with regional and national norms.

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 U.S. 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 allows states



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.