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Economic Freedom and Women's Rights

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Abstract

Using a panel dataset from 1970-2019, this paper compares how economic freedom influences the legal protection of women's rights. The empirical analysis reveals that countries with higher levels of economic freedom impose less restrictive regulations on women's economic opportunities. These findings collectively suggest that capitalistic countries offer more equitable legal rights for women. This conclusion remains robust after controlling for political rights, women in politics, educational attainment, and various other economic factors. The results challenge the prevailing notion that capitalism is detrimental to women, instead providing empirical evidence that freer markets correspond to freer women.

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1 Introduction

Gender discriminatory laws exist in all regions around the world. In 2010 no woman shared the same legal rights to economic opportunity as men, quantified by the World Bank's Women, Business and the Law database (2023). Currently, almost 2.4 billion women face gender discrimination before the law as 176 countries maintain legal barriers that prevent their full economic participation (Women, Business and the Law 2023).[1]

Women's economic rights embody the presence of laws that affect women's ability to work, receive compensation, start a business, control assets, and receive a pension, for example. Hyland et al. (2020) document that legal gender disparity associates with lower female labor force participation rates and a larger wage gap between men and women. Less regulation over women's economic rights is associated with more women working, higher wages, more women-owned businesses, and more women in managerial and political positions (Zveglich and Rodgers 2003; Amin and Islam 2015; Htun et al. 2019; Islam et al. 2019; Roy 2019; Hyland et al. 2021).

Similarly, increasing women's property rights increases female labor supply (Hallward-Driemeier and Gajigo 2015; Heath and Tan 2019) and alters investment risk preferences (Koudijs and Salisbury 2020; Koudijs et al. 2021).[2] Reducing legal gender disparity not only incentivizes women to enter the labor force but also increases growth and income per capita (Cuberes and Teignier, 2014; Cavalcanti and Tavares 2016; Klasen 2018). The economy is also more resilient during macroeconomic shocks (Halim et al. 2022; Ubfal 2022).

[1] As of 2022, countries that do not impose gender legal disparity include Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Latvia, Luxembourg, the Netherlands, Portugal, Spain, and Sweden.

[2] Equality before the law not only associates with better female economic outcomes but also with greater investments in women and children's health and education (Geddes et al. 2012; Deininger et al. 2019; Annan et al. 2021). Fewer gendered legal restrictions lead to lower rates of sexually transmitted diseases (Anderson 2018) and lower fertility rates (Branisa et al. 2013).

These studies shed light on the consequences of legal disparity between men and women's economic rights. The scant literature on determinants of women's economic rights focuses almost exclusively on economic factors. Fernández (2014), for example, argues that men's self-interest combined with economic change is largely responsible for the extension of rights to women. Related, Geddes and Lueck (2002) argue that granting women rights solves a principle-agent problem between husband and wife, and Doepke and Tertilt (2009) find that returns to both male and female human capital increase the incentive for fathers to grant women rights.

In this paper, I argue and test an institutional theory of rights determination—that economic freedom increases women's economic legal rights. Economic freedom, a.k.a. free markets, refers to an economic system that relies on private property rights and market prices to allocate resources. Economically free institutions embody a spirit of capitalism where individuals can freely engage in economic exchange within a country and across borders without government overreach.

A significant body of literature provides empirical evidence that economic freedom is not only associated with faster economic growth, higher living standards, and better employment outcomes, but it is also linked to social development, including increased life expectancy, greater human rights, and higher levels of happiness (for surveys of the economic freedom literature, see Hall and Lawson 2014; Lawson 2022).[3] As stated in Lawson (2022, p. iii), "over 700 articles looked at the impact of economic freedom on the human condition and most find a link between high or increasing levels of economic freedom with gains in prosperity and other measures of well-being…"

Considering the relation between economic freedom and social development, this work raises a critical question: Can economic freedom foster gender equality? Economic freedom

[3] Heller and Stephenson (2014) and Arif and Dawson (2023) find that economic freedom improves labor market outcomes, including lower unemployment rates and higher employment-population ratios.

embodies the fundamental right of every individual to control his or her own labor and property. Institutions and policies consistent with economic freedom support voluntary exchange and protection of individual rights. When economic freedom is maximized, individuals, including women, have the freedom to pursue their own economic interests without undue interference from the state.

Several recent papers support this claim. For example, Stroup (2008) and Fike (2015, 2023) document empirically that economic freedom benefits women's well-being, including life expectancy and education. Stroup (2011) finds that higher levels of economic freedom are significantly correlated with the United Nations's Gender Inequality Index. Furthermore, economic freedom is shown to reduce gender wage gaps (Weichselbaumer and Winter-Ebmer 2008), gender education gaps (Dills 2023), fertility gaps (Piano and Stone 2023), increase women's labor force participation and primary school enrollment (Grier 2023), and increase female entrepreneurship (Jahan 2023; Sheehan and O'Reilly 2023).

The philosophical foundation of economic freedom transcends gender by emphasizing equal opportunity for *all* to participate in commercial life.[4] Enlightenment thinkers championed the concept of individual autonomy, emphasizing that individuals should have the freedom to pursue their own interests and goals. Economic freedom aligns with this principle by allowing women to exercise their agency in the economic sphere. In economically free countries, women have the liberty to choose their careers, engage in entrepreneurship, and make independent financial decisions. As argued in Cudd (2015), by institutionalizing voluntary exchange, capitalism rejects the traditional notion of women being expected to self-sacrifice without the expectation of

[4] See Cudd and Holmstrom (2011) for a feminist debate over whether capitalism fosters women's economic interests.

receiving benefits in return. Thus, capitalism stands in opposition to traditional gender roles that impose the burden of self-sacrifice on women.

Economic freedom promotes a legal framework that respects individual choices and allows women to exercise their rights freely by removing barriers to economic participation. By empowering women economically, free markets can contribute to the expansion of legal rights and protections for women. When women are granted the same economic freedoms as men, their legal rights are fortified, as they gain the liberty to challenge discriminatory laws and advocate for legal reforms that protect their rights. By empowering women as economic actors, respecting individual autonomy, limiting state intervention, fostering entrepreneurship, and leveraging market dynamics, economic freedom encourages legal reforms that protect and advance women's rights.

Several recent papers are conceptually aligned with my hypothesis. Davis and Williamson (2019, 2022) show that pro-market values, i.e., individualism, increase women's de facto economic rights, educational attainment, and labor force participation. Individualism is also associated with reduced patriarchal attitudes and lowered fertility. Additional work documents that individualism is associated with economic freedom (Nikolaev and Salahodjaev 2017). These pro-market values emphasized by individualism are inherently egalitarian and transcend gender identities, generating greater gender equality. Thus, national institutions aligned with economic freedom represent preferences for more economic opportunity for everyone, not just men.

To test this hypothesis, a panel dataset is created from 1970-2019 with 5-year averages for up to 159 countries. Economic freedom is measured by the Fraser Institute's Economic Freedom of the World (EFW) index (Gwartney et al. 2021). The EFW index measures limits on markets created by government or crony elites. Countries are scored on five equally weighted categories related to government's role, size, and activeness in the economy. Women's economic rights are

measured by the World Bank's Women, Business and the Law (WBL) index, which quantifies legal differences between men and women's access to economic opportunities.

There is strong empirical support for my hypothesis. Economic freedom is positive and significantly associated with women's economic legal rights. Countries with less regulated markets tend to impose fewer regulations on the economic lives of women. This finding is robust to a variety of controls, including measures of modernization, economic factors, and political and legal institutional quality.

This paper contributes to the literature on determinants of legal gender equality. For example, Hyland et al. (2021) present a determinants model where income per capita, democracy, geography, religion, legal origin, and year fixed effects are included as predictors of the WBL index. Analyzing a 50-year panel in 190 countries, they show that income per capita, geography, civil legal origin, democracy, and religion are significant predictors of gendered laws. Omitted from their analysis, however, are economic institutions. This paper rectifies this omission.

Overall, my paper contributes to the existing literature by demonstrating the impact of economic freedom on the laws governing women's economic opportunities. The findings highlight that freer markets are linked to increased freedom for women.

2 Model and data description

A panel dataset is created from 1970-2019 with 5-year averages for up to 159 countries.[5] There are several reasons for constructing the dataset in this manner. Data for economic freedom and regulation of women are available starting in 1970. The sample ends in 2019 to avoid biases from the Covid-19 pandemic. Averaging data over five-year periods smooths data and minimizes

[5] 10 time periods are created by averaging data over 5 years from 1970 to 2019. For example, the 1970 period is the average of data from 1970 to 1974, 1975 is the average from 1975 to 1979, and so on.

biases due to missing data. For example, data for economic freedom are only available every five years from 1970 to 2000. It is available on an annual basis starting in 2001.

A straightforward linear regression model is employed to analyze the association between economic freedom and gender equality. The model is described by the following equation:

$$Y_{i,t} = \alpha \times Y_{i,t-2} + \beta \times \text{EFW}_{i,t-1} + \gamma \times X_{i,t-1} + \iota_i + \varsigma_t + \varepsilon_{i,t}$$

The baseline model includes country (ι_i) and period fixed effects (ς_t) with country clustered standard errors. All models include a one-period lag of the control variables ($X_{i,t-1}$) and a two-period lagged dependent variable ($Y_{i,t-2}$). With a two-period lagged dependent variable the estimates effectively capture determinants of the *change* of gender legal equality over time. Including a two-period lag of the dependent variable also helps alleviate potential problems of endogeneity, specifically reverse causality. My focus, however, is on establishing correlation, not causation. Given the difficulty in completely alleviating endogeneity concerns, the goal of this empirical exercise is a modest one of establishing whether economic freedom has predictive power for a de jure measure of gender equality.

Table 1 provides data description and sources for all variables. Table 2 provides summary statistics. The data on economic freedom are from the Fraser Institute's Economic Freedom of the World (EFW) Project (Gwartney et al. 2021). Countries are scored on five equally weighted categories related to government's role, size, and activeness in the economy. Those categories are: (1) *Size of government*, which considers the share of government's expenditures, the level of taxes, and the degree of state ownership in an economy. (2) *Legal system and property rights*, which measures the quality and effectiveness of a country's legal system, such as how independent its judiciary is, the impartiality of courts, military interference with the legal system, and how well government protects private property rights. (3) *Sound money*, which measures the extent of

inflation and the freedom to own foreign currency domestically and abroad. (4) *Freedom to trade internationally*, which measures the extent of tariff and non-tariff trade barriers, international capital market controls, exchange rate regulation, or other regulations on the ability to trade internationally. Finally, (5) *Regulation*, which covers government control of credit markets, minimum wages, price controls, time to start a new business, the number of licenses, permits and other bureaucratic approvals involved with starting and operating a business, and restrictions on hiring and firing workers.

Based on the above categories an overall index of economic freedom is created that ranges from zero (completely unfree) to ten (completely free).[6] For ease of interpreting economic significance, data are standardized. Hong Kong is the most economically free country in the sample, holding the top eight country-period spots (1995, 1985, 1975, 2005, 1980, 1990, 2010, 2015). Singapore ranks second highest in economic freedom (1995, 2015). Nicaragua is the most unfree country in the sample (1985). Venezuela (2015), Uganda (1985), Bangladesh (1975), and Ghana (1980) round out the bottom five least free countries in the sample. Jordan (1990) and Mauritania (2015) have economic freedom scores at the sample mean.

[Insert Tables 1 and 2 Here]

The main dependent variable measures legal regulation of women and is collected from the World Bank's Women, Business and the Law (WBL) (2022). The WBL index charts inequality in legislation that a woman faces as she navigates her working life, from the time she can enter the labor force through retirement. In other words, the WBL index quantifies formal rules protecting women's economic rights by measuring legal differences between men's and women's access to economic opportunities. For example, the WBL index assess whether a woman can get a job in the

[6] I use the EFW index before adjusting for gender disparity. The unadjusted index is provided by the authors of the index. For more on the gender disparity index, see Fike (2016, 2017, 2023).

same way a man can. Thirty-five aspects of the law are scored based on binary questions related to eight key aspects of economic rights. The eight areas are mobility and freedom of movement, workplace equality, equality of pay, marriage rights, parental rights, entrepreneurship and business equality, assets and property rights, and pension equality.

Appendix 1 lists the eight areas with their corresponding legal questions. Each area's sub-index averages the pertinent binary questions multiplied by 100. The WBL index is the average of the eight sub-indices, scored between 0-100 with 100 representing no legal inequalities between men and women. For this exercise, data are standardized for ease of interpretation.

The United Arab Emirates holds the bottom six country-period rankings in the WBL index (1975, 1985, 1990, 1970, 1980, 1995). The top six rankings are all in the latest period (2015-2019) and include Belgium, Luxembourg, Denmark, Sweden, France, and Latvia. The non-standardized sample mean is 59, implying that, on average, during the sample women have 59% of the legal rights of men. Israel (1990 period) scores at the mean of the WBL index.

Economic development is correlated with gender equality (see, Minasyan et al. 2019; Hyland et al. 2021). Therefore, the baseline model controls for log GDP per capita, collected from Penn World Tables 10.0 (Feenstra et al. 2015). Data on population and expenditure-side real GDP at chained purchasing-power parities in 2017 US dollars are utilized. In the sample, Nigeria (1995) is the poorest country. The United Arable Emirates (1975, 1980) and Qatar (2010) are the richest countries in the sample. Morocco in the 2015 period has an income per capita at the sample mean.

3 Results

3.1 Baseline estimations

The results of the initial estimations are presented in Table 3. It is well-documented that economic freedom is positively correlated with income per capita (see, Hall and Lawson, 2014, for a review). Furthermore, increases in income also correlate with increases in gender equality (Geddes and Lueck 2002). To distinguish between an income channel and an economic freedom channel, results are initially presented without including income per capita.

[Insert Table 3 Here]

Column (1) provides the simplest estimation controlling only for prior WBL index (2 period lag) and economic freedom. Country and period fixed effects are not included. Based on EFW's coefficient, economic freedom positively and significantly correlates with the WBL index. A one standard deviation increase in economic freedom (the difference between USA and Greece in 2000 period) increases the WBL index by 16% of a standard deviation.

Column (2) includes country fixed effects. Economic freedom's coefficient is positive, significant, and larger compared to column (1). Column (3) includes both country and period fixed effects. Economic freedom's impact remains but with a smaller economic effect.

Column (4) presents an estimation including log income per capita but dropping economic freedom. This is done to help distinguish if economic freedom is directly affecting regulation of women or if it is operating through an income channel. As shown, income per capita is positive but insignificantly correlated with the WBL index. Log income per capita is included with economic freedom in column (5). Economic freedom is positive and significantly associated with the WBL index, and the coefficient on income per capita remains insignificant. A one standard deviation increase in economic freedom increases the WBL index by 9% of a standard deviation, the difference between the USA and Zimbabwe in the 1995 period. Combined, these results suggest

that economic freedom is not operating through its effect on income, but that economic freedom is directly associated with legal economic rights for women.

To visualize the correlations established in Table 1, Figure 1 plots the association between economic freedom and the WBL index. There is a clear positive linear association between economic freedom and regulation of women. Also present is a non-linear association. To test this non-linearity, a quadratic term for economic freedom is added to the estimation and presented in column (6).

[Insert Figure 1 Here]

Economic freedom's coefficient is positive and highly significant; the coefficient on the quadratic term is also *positive* and significant at the 5% level. This suggests that economic freedom has an increasingly positive effect on the WBL index. As countries become more economically free, the legal disparities between men and women decline at a faster rate. As such, economic freedom's total effect on the regulation of women may be even greater than the linear model suggests. For example, a one standard deviation increase in economic freedom for a country with a standardized economic freedom score of 1, such as Jordan in 2005, experiences a 22% standard deviation increase in the WBL index, which is the difference between Peru and Canada in 2015.

Overall, the results suggest that economic freedom promotes laws and regulations that equalize women's economic opportunities. The results also show that gender equality is strongly related to past gender equality, i.e., there is substantial persistence in the WBL index. The remaining estimations control for a two-period lag of the WBL index, lagged log GDP per capita, and country and period fixed effects.

[Insert Table 4 Here]

Table 4 presents estimations with the EFW index's five areas: size of government, the legal system and property rights, sound money, freedom to trade, and business regulation. Columns (1)-(5) include each area separately, while column (6) controls for all five EFW areas simultaneously. All areas except size of government are positive and significantly correlated with the WBL index when included in the specifications separately; however, once all five areas are included together, only the regulation sub-index retains its significance. This finding implies that countries with less intensive regulation on labor, credit, and businesses tend to have less regulatory control over women's lives as well.

One striking non-result is that the sub-index measuring the size of government is insignificant in both estimations. Prior works suggest that a larger government is necessary to protect and provide equal opportunities for women (Forsythe and Korzeniewicz 2000). The results presented here do not support this claim. Instead, the results suggest that equal opportunities for women occur in countries that are more economically free, specifically countries that create fewer business-related regulations.

3.2 Economic freedom and components of the WBL index

To gain additional insight into how economic freedom can increase women's legal economic rights, Table 5 presents estimations using the eight WBL sub-indices: mobility and freedom of movement, workplace equality, equality of pay, marriage rights, parental rights, entrepreneurship and business equality, assets and property rights, and pension equality. It is possible that economic freedom correlates with some aspects of women's regulation more so than others. For example, countries that leave markets freer may also choose to not regulate women's work or entrepreneurship opportunities.

[Insert Table 5 Here]

Economic freedom's coefficient is positively associated with all WBL sub-indices, and it is significant in five estimations. These results suggest that economic freedom increases women's mobility, workplace equality, equal pay, marriage rights, and entrepreneurship equality. Economic freedom is uncorrelated with the sub-indices measuring parental rights, assets, and pension equality. The largest effect is with WBL's entrepreneurship category, presented in column (6). A one standard deviation increase in economic freedom increases the WBL entrepreneurship index by 16% of a standard deviation.

Further examination of the individual binary questions in the WBL index illustrates several interesting findings (see Appendix 1 for all questions in the WBL sub-indices). Table 6, Panels A and B, presents results using logit estimations controlling for income per capita and period fixed effects.[7]

[Insert Table 6 Here]

Economic freedom significantly increases the likelihood of equal legal rights concerning women's mobility. For example, economic freedom increases the likelihood that a woman does not face gender disparity when applying for a passport, traveling outside her home or outside the country, or when choosing where to live. Similar to mobility, economic freedom increases the probability that a country adopts laws pertaining to the workplace (for example, women can work same job as a man), marriage rights (e.g., can obtain a divorce), entrepreneurship (will not face gender discrimination when obtaining credit, signing a contract, registering a business, and opening a bank account), and assets (right to inherit assets, for example).

[7] Country fixed effects and a lagged WBL index should not be included in the logit estimations due to lack of variability.

The only law within the WBL pay category that economic freedom does not increase the probability of adopting relates to whether there is legal provision mandating equal pay for equal work. The requirement of mandated pay is contrary to economic freedom. Therefore, this finding aligns with the theoretical arguments that work and pay should be based on merit, not mandate. Economic freedom, for example, increases the likelihood of laws granting a woman's right to work in the same industries as a man, at night, and in dangerous jobs. But it does not mandate pay requirements as value is revealed through competitive markets.

Economic freedom is not significantly associated with the WBL parenthood index, as shown in Table 5; however, economic freedom significantly relates to several questions within this category. Economic freedom is negative and significant when predicting the likelihood of at least 14 weeks of paid parental leave and that government administers maternity leave benefits. It positively and significantly predicts laws prohibiting dismissal of pregnant workers. The implementation of mandated paid leave and state-administered leave is not consistent with the principles of economic freedom. Consequently, it is unsurprising that economically free countries do not legally require such measures. However, economically free countries protect women from wrongful dismal for being pregnant.

Economic freedom increases the probability of a country adopting pension equality protections related to receiving equal pension benefits and similar mandatory retirement ages. Economic freedom, however, negatively predicts laws mandating that pensions account for absence due to childcare. Again, this can be viewed as a mandate that does not align with free market principles as it requires entitlement benefits.

Collectively, this question level analysis reveals that economic freedom correlates with aspects of the law where it promotes opportunities to live, work, marry/divorce, open a business,

inherit assets, and retire with full benefits, for example. Economically free countries demonstrate a higher propensity to enact laws safeguarding women's negative rights, allowing them the freedom to pursue potentially risky employment choices, such as working at night in hazardous jobs, if they so desire. However, economic freedom does not necessarily extend to legislating mandates on equal pay, paid maternity or paternity leave, or the accumulation of pension benefits during periods of non-employment. This indicates that economically free countries do not guarantee women entitlements like paid leave but prioritize equal economic opportunities for men and women.

3.3 Political institutional controls

Democratic countries are more likely to grant rights and freedom to men and women equally (Inglehart et al. 2002; Hyland et al. 2021). Furthermore, other aspects of political institutions, including lack of corruption and women's political participation, are likely to relate to women's economic legal rights. Thus, Table 7 includes controls for political rules and institutions to the baseline model.

Four different variables are utilized to measure democracy in a country. Polity2, collected from the Polity V dataset, measures the degree of democracy versus autocracy, ranging from +10 (strongly democratic) to -10 (strongly autocratic) (Marshall and Gurr 2022). Also collected from Polity V, executive constraints are included, which measures the degree of constraints on executive powers. Two democratic measures are collected from the V-dem dataset (Coppedge et al. 2022). Electoral democracy measures the extent to which an ideal electoral democracy is achieved, including principles such as making rulers responsive to citizens, open and free electoral competition, and freedom of expression. A second democracy index combines electoral democracy

with liberal democratic principles, such as protecting citizens' rights and providing limits on government power. All democracy indices are standardized for ease of interpretation.

As shown in the first four columns of Table 7, economic freedom remains positive and significantly associated with the WBL index. Democracy is also positive and significant in all specifications. A one standard deviation increase in Polity2 or executive constraints increases the WBL index by 11% of a standard deviation, for example. Electoral democracy has the largest economic impact as a one standard deviation increase leads to 16% of a standard deviation increase in the WBL index. Economic freedom's coefficients are slightly reduced compared to the baseline estimation.

[Insert Table 7]

Column (5) includes a measure of political corruption collected from V-dem. Economic freedom is robust to this inclusion. Political corruption is negative and significant at the 10% level.

The next two control variables capture women's participation in politics. The more that women are represented in government and in the political decision-making process, the more likely that women's rights will be legally protected. We anticipate less gender legal disparity when women hold political positions of power. Column (6) includes the share of women in parliament (WDI 2022) and column (7) includes a women's political participation index (V-dem 2022). As shown, both measures of women's political power are positive and significantly associated with the WBL index. Importantly, economic freedom is robust to these inclusions.

Lastly, column (8) includes a measure of women's freedom of domestic movement, including the right to establish permanent residency where they wish (V-dem 2022).[8] If women

[8] This measure is different from the mobility WBL subindex, which considers relative restrictions on movement of men and women. V-dem's freedom of movement for women simply quantifies if women enjoy freedom of movement within their country.

can move and live where they please, they can 'vote with their feet' to put political pressure on government for legal reform. Indeed, the results suggest that freedom of movement for women is significantly correlated with more legal parity between men and women. Economic freedom remains positive and significant.

To further test the robustness, other political institutional measures, collected from Worldwide governance indicators (WGI) (Kaufmann and Kraay 2022), are included in additional estimations. None of the WGI governance measures significantly relate to the WBL index. Economic freedom retains its sign and significance. Due to data availability, the observations for these estimations are cut roughly in half. Thus, these results are not tabulated but are available upon request.

3.4 Additional economic controls

To gain a deeper understanding of determinants of laws affecting gender equality, additional economic controls are included in the analysis.[9] This includes economic growth, oil rents (share of GDP), female labor force participation (LFP), ethnic fractionalization, and several different measures of education.

As a country experiences economic growth, women may be granted more rights as demand for such rights increases, and women are needed to enter an expanding labor market. Oil rents is shown to negatively affect women's rights (Ross 2008). As more women in the labor force, they may demand further economic rights and use their relative economic power for legal change. Ethnic fractionalization is associated with lower quality government and provision of public goods (Alesina et al. 2003); thus, a fractionalized country may adopt discriminatory laws against women.

[9] There are other possible determinants of gender equality that are not explicitly included in the estimations; however, those determinants are captured by country fixed effects.

Lastly, a more educated population is likely to favor equality before the law and grant women equal opportunities (Doepke and Tertilt 2009).

An index of historical ethnic fractionalization is collected from Drazanova (2019). Female LFP measures female labor force participation as a share of the female population that is 15 and older. Education is measured with four different variables. Average schooling is years of education for citizens older than 15 (V-dem 2022). Female schooling is the average years of schooling among the female population ages 15 and older (Barro and Lee 2013). Tertiary enrollment is the percentages of high school graduates that enroll into university. A human capital index, collected from PWT combines average years of schooling with returns to education. Data on economic growth, oil rents, female LFP, and tertiary education are collected from WDI (2022).

Table 8 presents the results with the additional economic control variables. As reported, economic freedom's coefficient is largely unaffected, retaining sign and significance. None of the additional control variables are significant.

[Insert Table 8]

Lastly, in column (9), several variables that are likely to impact gender equality but do not change over time are included (country fixed effects are thus dropped). Civil legal origins are a significant predictor of legal gender equality (Hyland et al. 2021). Thus, an indicator variable for common law is included in the analysis (La Porta et al. 2008). A substantial body of evidence links religion to support for traditional gender roles (Guiso et al. 2003; Inglehart and Norris 2003; Seguino 2011; Hyland et al. 2021); thus, shares of the population's religious affiliation are included (McCleary and Barro 2006). Finally, regional fixed effects are included (collected from the World Bank). Regional location corresponds with shared religious, cultural, and philosophical traditions and historical experiences that may affect women's legal rights.

As shown economic freedom is not sensitive to this model specification. Common law is insignificant. A higher share of the population that is Muslim significantly decreases the WBL index. The other religions are insignificant. Religious coefficients are not reported to save space but are available upon request.

4 Conclusion

The empirical analysis reveals that countries with higher levels of economic freedom tend to impose fewer restrictive regulations on women's economic opportunities. As such, this project challenges the prevailing notion that capitalism is detrimental to women and provides empirical evidence supporting the argument that economically free countries establish formal safeguards for women's well-being.

These findings have important policy implications as they underscore the potential benefits of fostering economic freedom to promote gender equality and enhance women's rights on a global scale. Hyland et al. (2021) conclude that a large part of a country's legal environment relevant to women is predetermined and may therefore be hard to change.[10] My results offer a more optimistic conclusion. Economic freedom is comprised of rules and regulations that are man-made, and, therefore, can be changed in the short run. While this does not guarantee that policymakers will implement the necessary legal reforms to promote both market freedom and women's freedom, it does indicate that increased economic freedom is associated with greater empowerment for women. In essence, freer markets correspond to freer women.

[10] They find that the most significant predictors of the WBL index evolve slowly (religion) or not all (legal origin and geography).

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Appendix 1: Measurement of Women, Business and the Law (WBL) index

WBL mobility
1. Can a woman choose where to live in the same way as a man?
2. Can a woman travel outside her home in the same way as a man?
3. Can a woman apply for a passport in the same way as a man?
4. Can a woman travel outside the country in the same way as a man?
WBL workplace
1. Can a woman get a job in the same way as a man?
2. Does the law prohibit discrimination in employment based on gender?
3. Is there legislation on sexual harassment in employment?
4. Are there criminal penalties or civil remedies for sexual harassment in employment?
WBL pay
1. Does the law mandate equal remuneration for work of equal value?
2. Can women work the same night hours as men?
3. Can women work in jobs deemed dangerous in the same way as men?
4. Are women able to work in the same industries as men?
WBL marriage
1. Is there no legal provision that requires a married woman to obey her husband?
2. Can a woman be head of household in the same way as a man?
3. Is there legislation specifically addressing domestic violence?
4. Can a woman obtain a judgment of divorce in the same way as a man?
5. Does a woman have the same rights to remarry as a man?
WBL parenthood
1. Is paid leave of at least 14 weeks available to mothers?
2. Does the government administer 100% of maternity leave benefits?
3. Is paid leave available to fathers?
4. Is there paid parental leave?
5. Is dismissal of pregnant workers prohibited?
WBL entrepreneurship
1. Does the law prohibit discrimination in access to credit based on gender?
2. Can a woman sign a contract in the same way as a man?
3. Can a woman register a business in the same way as a man?
4. Can a woman open a bank account in the same way as a man?
WBL assets
1. Do men and women have equal ownership rights to immovable property?
2. Do sons and daughters have equal rights to inherit assets from their parents?
3. Do female and male surviving spouses have equal rights to inherit assets?
4. Does the law grant spouses equal administrative authority over assets during marriage?
5. Does the law provide for the valuation of nonmonetary contributions?
WBL pension
1. Are the ages at which men and women can retire with full pension benefits equal?
2. Are the ages at which men and women can retire with partial pension benefits equal?
3. Are the mandatory retirement ages for men and women equal?
4. Are periods of absence due to child care accounted for in pension benefits?

Table 1: Data Description

Variables	Data Description	Source
Dependent variables		
WBL	Women Business and the Law (WBL) index measures legal differences between men's and women's access to economic opportunities. Calculated by taking the average of eight areas: mobility, workplace, pay, marriage, parenthood, entrepreneurship, assets, and pension. Scored 0-100 with 100 representing equal economic rights for women. Data are standardized.	World Bank (2022)
WBL mobility	Women Business and the Law (WBL) mobility subindex (1-100) measures laws on freedom of movement. Data are standardized.	World Bank (2022)
WBL workplace	Women Business and the Law (WBL) work subindex (1-100) measures laws related to women's work. Data are standardized.	World Bank (2022)
WBL pay	Women Business and the Law (WBL) pay subindex (1-100) measures laws and regulations related to women's pay. Data are standardized.	World Bank (2022)
WBL marriage	Women Business and the Law (WBL) marriage subindex (1-100) assesses legal constraints related to marriage. Data are standardized.	World Bank (2022)
WBL parenthood	Women Business and the Law (WBL) parent subindex (1-100) examines laws affecting women's work after children. Data are standardized.	World Bank (2022)
WBL entrepreneurship	Women Business and the Law (WBL) entrepreneur subindex (1-100) analyzes constraints on women starting and running a business. Data are standardized.	World Bank (2022)
WBL assets	Women Business and the Law (WBL) assets subindex (1-100) measures gender difference regarding property and inheritance. Data are standardized.	World Bank (2022)
WBL pension	Women Business and the Law (WBL) pension subindex (1-100) measures laws affecting the size of a woman's pension; World Bank (2022). Data are standardized.	World Bank (2022)
Economic freedom:		

EFW	Economic freedom index (EFW) measures the level of economic freedom based on five categories: size of government, monetary policy and price stability, legal structure and security of private ownership, freedom to trade with foreigners, and regulation of credit, labor, and business. The index ranges from zero to ten, with ten representing a greater degree of freedom. The index is not adjusted for gender disparity. Data are standardized.	Gwartney et al. (2021)
EFW size of gov	Economic freedom area 1, size of government, indicates the extent to which countries rely on the political process to allocate resources and goods and services. Data are standardized.	Gwartney et al. (2021)
EFW legal	Economic freedom area 2, legal system and property rights, measures rule of law, security of property rights, an independent and unbiased judiciary, and impartial and effective enforcement of the law. Not adjusted for gender disparity.	Gwartney et al. (2021)
EFW money	Economic freedom area 3, sound money, measures price stability and monetary institutions and policies. Data are standardized.	Gwartney et al. (2021)
EFW trade	Economic freedom area 4, trade, measures freedom to trade internationally. Data are standardized.	Gwartney et al. (2021)
EFW regulation	Economic freedom area 5, regulation, measures regulatory restraints that limit the freedom of exchange in credit, labor, and product markets. Data are standardized.	Gwartney et al. (2021)
Control variables:		
Log GDP pc	GDP per capita, population and expenditure-side real GDP at chained purchasing-power parities in 2017 US dollars. In log form.	Penn World Tables 10.0; Feenstra et al. (2015)
Polity2	Measures degree of democracy versus autocracy, ranging from +10 (strongly democratic) to -10 (strongly autocratic). Data are standardized.	Polity V dataset. Marshall and Gurr (2022)
Exec constraints	Measures degree of constraints on executive powers. Data are standardized.	Polity V dataset. Marshall and Gurr (2022)
Electoral democracy	Measures the extent to which an ideal of electoral democracy in its fullest sense is achieved. Data are standardized.	V-dem version 12

Electoral plus liberal democracy	Collected from the regimes of the world measure, which quantifies regimes based on competitiveness of access to power and liberal principles. This index combines electoral democracy with liberal democracy. Data are standardized.	V-dem version 12
Political corruption	Measures the pervasiveness of political corruption across executive, judicial, and legislative branches. Data are standardized.	V-dem version 12
Women in government	Percentage of parliamentary seats in a single or lower chamber held by women. Data are standardized.	V-dem version 12
Women political participation	Women's political participation includes women's descriptive representation in the legislature and an equal share in the overall distribution of power. Data are standardized.	WDI (2022)
Women freedom of movement	Measures the extent of freedom of domestic movement for women. Data are standardized.	V-dem version 12
Growth	Growth rate (%)	WDI (2022)
Oil rents	Oil rents (% GDP)	
Female LFP	Labor force participation rate, female (% of female population ages 15 and older.	WDI (2022)
Historical ethnic frac	The Historical Index of Ethnic Fractionalization is an annual measure of country level ethnic fractionalization. The ethnic fractionalization index corresponds to the probability that two randomly drawn individuals within a country are not from the same ethnic group. The dataset ended in 2013. Data are standardized.	Drazanova (2019)
Average schooling	Average years of education among citizens older than 15.	V-dem version 12
Female schooling	Average years of schooling among female population age 15 and older.	Barro and Lee (2013)
Tertiary enrollment	Tertiary enrollment rates are the percentage of high school graduates that successfully enroll into university. Data are standardized.	WDI (2022)
Human capital index	A human capital index based on the average years of schooling and an assumed rate of returns to education. Data are standardized.	Penn World Tables 10.0; Feenstra et al. (2015)
Common law	Indicator variable equals one for a country with an English legal origin, and zero otherwise.	La Porta et al. (2008)
Religion controls	Shares of the population that are Protestant, Catholic, other Christian, Muslim, Jewish, Hindu, Buddhism, non-religious, in 2000.	McCleary and Barro (2006)

Table 2: Summary Statistics

	# Observations	Mean	Standard Deviation	Minimum	Maximum
Dependent variables					
WBL	996	0.00	1.00	-2.32	2.28
WBL mobility	968	0.00	1.00	-3.18	0.70
WBL work	968	0.00	1.00	-1.29	1.86
WBL pay	968	0.00	1.00	-1.50	1.76
WBL marriage	968	0.00	1.00	-2.11	1.30
WBL parent	968	0.00	1.00	-1.14	2.24
WBL entrepreneur	968	0.00	1.00	-3.48	1.35
WBL assets	968	0.00	1.00	-2.72	0.91
WBL pension	968	0.00	1.00	-2.12	1.37
Economic freedom:					
EFW	996	0.00	1.00	-3.13	2.24
EFW size of gov	967	0.00	1.00	-3.04	2.36
EFW legal	970	0.00	1.00	-2.02	2.19
EFW money	972	0.00	1.00	-3.48	1.30
EFW trade	915	0.00	1.00	-3.00	1.78
EFW regulation	2015	0.00	1.00	-2.99	2.25
Control variables:					
Log GDP pc	968	9.08	1.23	6.14	12.21
Polity2	888	0.00	1.00	-1.60	1.20
Exec constraints	885	0.00	1.00	-1.48	1.17
Electoral democ	952	0.00	1.00	-1.48	1.71
Electoral plus liberal democracy	952	0.00	1.00	-1.22	1.59
Politcal corruption	947	0.00	1.00	-1.67	1.61
Women in government	637	0.00	1.00	-1.49	4.28
Women political participation	951	0.00	1.00	-2.36	1.29
Women freedom of movement	952	0.00	1.00	-2.37	1.42
Growth	931	3.47	2.87	-11.48	21.57
Oil rents	930	3.16	7.86	0.00	52.67
Female LFP	647	51.15	15.43	6.02	89.77
Historical ethnic frac	735	0.00	1.00	-1.67	1.65
Avg schooling	841	7.31	3.25	0.46	13.61
Female schooling	794	6.76	3.15	0.25	13.23
Tertiary enrollment	838	0.00	1.00	-0.98	5.04
Human capital index	920	0.00	1.00	-1.60	2.48
Common law	968	0.32	0.47	0.00	1.00

Table 3: Economic Freedom and Women's Economic Rights, Baseline Results

Dep. Var: WBL	(1)	(2)	(3)	(4)	(5)	(6)
EFW(t-1)	0.16***	0.26***	0.10***		0.09**	0.14***
	(0.02)	(0.03)	(0.03)		(0.03)	(0.04)
$EFW(t-1)^2$						0.04**
						(0.02)
Log GDP pc(t-1)				0.02	-0.01	-0.02
				(0.06)	(0.06)	(0.06)
WBL(t-2)	0.84***	0.65***	0.38***	0.39***	0.38***	0.36***
	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)	(0.05)
Country FE	NO	YES	YES	YES	YES	YES
Year FE	NO	NO	YES	YES	YES	YES
Constant	0.42***	0.40***	-0.03	-0.29	0.01	0.14
	(0.02)	(0.00)	(0.05)	(0.49)	(0.50)	(0.50)
# observations	996	996	996	968	968	968
# countries	159	159	159	154	154	154
R^2 (within)	0.69	0.70	0.77	0.77	0.77	0.77

Notes: Detailed variable descriptions are provided in Table 1. Clustered standard errors are reported in parentheses. ***, **, and * denote significance at 1%, 5%, and 10%, respectively.

Table 4: Economic Freedom and Women's Economic Rights, EFW subcomponents

Dep. Var: WBL	(1)	(2)	(3)	(4)	(5)	(6)
EFW size of gov(t-1)	0.01					-0.03
	(0.02)					(0.02)
EFW legal(t-1)		0.13**				0.08
		(0.06)				(0.06)
EFW money(t-1)			0.04**			0.02
			(0.02)			(0.02)
EFW trade(t-1)				0.06**		0.02
				(0.02)		(0.03)
EFW regulation(t-1)					0.09**	0.09**
					(0.03)	(0.04)
Log GDP pc(t-1)	0.04	0.01	0.01	0.00	0.00	-0.04
	(0.05)	(0.06)	(0.05)	(0.06)	(0.06)	(0.06)
WBL(t-2)	0.38***	0.39***	0.37***	0.39***	0.36***	0.34***
	(0.04)	(0.04)	(0.04)	(0.04)	(0.05)	(0.05)
Country FE	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES
Constant	-0.45	-0.13	-0.16	-0.06	-0.05	0.29
	(0.48)	(0.48)	(0.48)	(0.51)	(0.52)	(0.54)
# observations	967	970	972	915	963	903
# countries	154	154	154	154	154	154
R^2 (within)	0.77	0.77	0.77	0.78	0.77	0.79

Notes: Detailed variable descriptions are provided in Table 1. Clustered standard errors are reported in parentheses. ***, **, and * denote significance at 1%, 5%, and 10%, respectively.

Table 5: Economic Freedom and Women's Economic Rights, WBL indices

Dep. Var:	WBL mobility (1)	WBL workplace (2)	WBL pay (3)	WBL marriage (4)	WBL parenthood (5)	WBL entrepreneurship (6)	WBL assets (7)	WBL pension (8)
EFW(t-1)	0.03*	0.12**	0.09**	0.06**	0.01	0.16***	0.01	0.01
	(0.02)	(0.06)	(0.04)	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)
Log GDP pc(t-1)	0.06	-0.07	-0.08	0.05	0.11	0.04	-0.05	-0.05
	(0.04)	(0.11)	(0.08)	(0.06)	(0.07)	(0.10)	(0.08)	(0.11)
Dep. Variable(t-2)	0.22***	0.24***	0.43***	0.36***	0.32***	0.29***	0.35***	0.29***
	(0.03)	(0.05)	(0.04)	(0.05)	(0.05)	(0.05)	(0.04)	(0.06)
Country FE	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Constant	-0.52	0.28	0.72	-0.55	-1.01	-0.25	0.38	0.53
	(0.36)	(0.94)	(0.66)	(0.51)	(0.65)	(0.88)	(0.69)	(0.92)
# observations	968	968	968	968	968	968	968	968
# countries	154	154	154	154	154	154	154	154
R^2 (within)	0.27	0.68	0.47	0.62	0.53	0.35	0.32	0.25

Notes: Detailed variable descriptions are provided in Table 1. Clustered standard errors are reported in parentheses. ***, **, and * denote significance at 1%, 5%, and 10%, respectively.

Table 6: Economic Freedom and Women's Economic Rights, WBL individual questions

Panel A:	*WBL mobility*				*WBL workplace*				
Dep. Var:	apply passport	travel out country	travel out home	choose where live	get job	prohibit discrimination	sex harrassment law	penalties sex harrassment	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
EFW(t-1)	0.34**	0.78***	0.70***	0.35***	0.58***	0.38***	0.59***	0.45**	
	(0.11)	(0.18)	(0.16)	(0.11)	(0.11)	(0.11)	(0.14)	(0.14)	
Log GDP pc(t-1)	0.24**	-0.61**	-0.79***	0.50***	0.10	0.27**	0.11	0.14	
	(0.09)	(0.20)	(0.15)	(0.10)	(0.11)	(0.09)	(0.10)	(0.10)	
Constant	-0.80	8.86***	9.95***	-3.92***	0.52	-3.99***	0.16	-0.30	
	(0.87)	(1.93)	(1.52)	(0.92)	(0.99)	(0.85)	(0.90)	(0.88)	
# observations	1,048	1,048	1,048	1,048	1,048	1,048	968	968	
# countries	154	154	154	154	154	154	154	154	
Pseudo R^2	0.05	0.05	0.07	0.13	0.08	0.26	0.38	0.36	
	WBL pay				*WBL marriage*				
Dep. Var:	equal pay	work at night	dangerous work	same industry	Obey	Head of household	domestic violence	Obtain divorce	remarry
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
EFW(t-1)	0.16	0.32**	0.78***	0.67***	0.43**	0.46***	0.74***	0.34**	0.36***
	(0.11)	(0.10)	(0.11)	(0.12)	(0.15)	(0.11)	(0.16)	(0.10)	(0.10)
Log GDP pc(t-1)	0.44***	0.04	0.02	0.02	-0.37**	0.43***	0.19*	0.03	0.19**
	(0.09)	(0.09)	(0.08)	(0.08)	(0.15)	(0.09)	(0.11)	(0.09)	(0.08)
Constant	-5.85***	0.33	0.56	-0.79	5.18***	-2.75**	-0.22	0.46	-1.87**
	(0.87)	(0.81)	(0.75)	(0.74)	(1.49)	(0.85)	(0.98)	(0.81)	(0.72)
# observations	1,048	1,048	1,048	1,048	1,048	1,048	968	1,048	1,048
# countries	154	154	154	154	154	154	154	154	154
Pseudo R^2	0.13	0.05	0.08	0.09	0.03	0.12	0.41	0.03	0.06

Notes: Logit estimations are presented. Robust standard errors are reported in parentheses. ***, **, and * denote significance at 1%, 5%, and 10%, respectively.

Table 6: Economic Freedom and Women's Economic Rights, WBL individual questions

Panel B:	*WBL parenthood*					*WBL entrepreneurship*			
Dep. Var:	paid leave	Gov leave	paternity leave	paid parental leave	pregnant dismissal	sign contract	register business	bank account	access to credit
	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
EFW(t-1)	-0.19*	-0.52***	0.02	-0.07	0.28**	0.45*	0.58**	0.52**	0.87***
	(0.10)	(0.10)	(0.10)	(0.17)	(0.10)	(0.25)	(0.18)	(0.17)	(0.17)
Log GDP pc(t-1)	0.54***	0.70***	0.02	1.34***	0.29***	0.24	0.39**	0.66***	0.36***
	(0.08)	(0.09)	(0.08)	(0.15)	(0.09)	(0.19)	(0.12)	(0.15)	(0.10)
Constant	-6.00***	-6.17***	-2.08**	-15.23***	-2.79***	0.83	-0.81	-2.87**	-6.57***
	(0.80)	(0.80)	(0.78)	(1.50)	(0.81)	(1.75)	(1.17)	(1.31)	(1.01)
# observations	1,048	1,048	1,048	1,048	1,048	783	1,048	1,048	1,048
# countries	154	154	154	154	154	154	154	154	154
Pseudo R^2	0.11	0.07	0.10	0.27	0.13	0.09	0.11	0.14	0.29
	WBL assets					*WBL pension*			
Dep. Var:	equal own	inherit	surviving spouse	admin authority	value nonmonetary	retire age	retire partial age	mandatory age retire	childcare absence
	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)
EFW(t-1)	0.33**	0.21**	0.19*	0.53***	0.27**	0.66***	0.45***	1.80***	-0.19*
	(0.14)	(0.11)	(0.11)	(0.13)	(0.10)	(0.10)	(0.12)	(0.25)	(0.10)
Log GDP pc(t-1)	0.62***	0.40***	0.49***	0.34***	0.54***	-0.36***	-0.11	-0.88***	0.59***
	(0.10)	(0.10)	(0.10)	(0.09)	(0.09)	(0.07)	(0.10)	(0.17)	(0.08)
Constant	-4.01***	-2.21**	-3.05**	-1.50*	-4.24***	3.67***	2.72**	12.46***	-6.69***
	(0.91)	(0.94)	(0.96)	(0.84)	(0.88)	(0.70)	(0.94)	(1.92)	(0.81)
# observations	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048
# countries	154	154	154	154	154	154	154	154	154
Pseudo R^2	0.15	0.07	0.08	0.13	0.12	0.04	0.02	0.19	0.12

Notes: Logit estimations are presented. Robust standard errors are reported in parentheses. ***, **, and * denote significance at 1%, 5%, and 10%, respectively.

Table 7: Economic Freedom and Women's Economic Rights, Institutional Controls

Dep. Var: WBL	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
EFW(t-1)	0.07**	0.06**	0.06**	0.07**	0.08**	0.16**	0.08**	0.06**
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.05)	(0.03)	(0.03)
Log GDP pc(t-1)	-0.01	-0.02	-0.01	-0.01	-0.03	-0.07	0.00	-0.01
	(0.05)	(0.05)	(0.05)	(0.05)	(0.06)	(0.08)	(0.05)	(0.05)
Polity2(t-1)	0.11**							
	(0.03)							
Exec constraints(t-1)		0.11**						
		(0.04)						
Electoral democ(t-1)			0.16***					
			(0.14)					
Electoral plus liberal democ(t-1)				0.12***				
				(0.03)				
Political corruption(t-1)					-0.11*			
					(0.06)			
Women in gov(t-1)						0.08*		
						(0.04)		
Women political part(t-1)							0.18***	
							(0.04)	
Women free move(t-1)								0.23***
								(0.05)
WBL(t-2)	0.38***	0.38***	0.37***	0.37***	0.37***	-0.00	0.34***	0.35***
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.05)	(0.04)	(0.04)
Country FE	YES	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES	YES
Constant	0.10	0.18	0.03	0.07	0.22	1.02	0.03	-0.01
	(0.48)	(0.48)	(0.46)	(0.46)	(0.50)	(0.72)	(0.47)	(0.46)
# observations	888	885	952	952	946	524	951	952
# countries	140	140	151	151	151	151	151	151
R^2 (within)	0.78	0.78	0.78	0.78	0.77	0.64	0.78	0.79

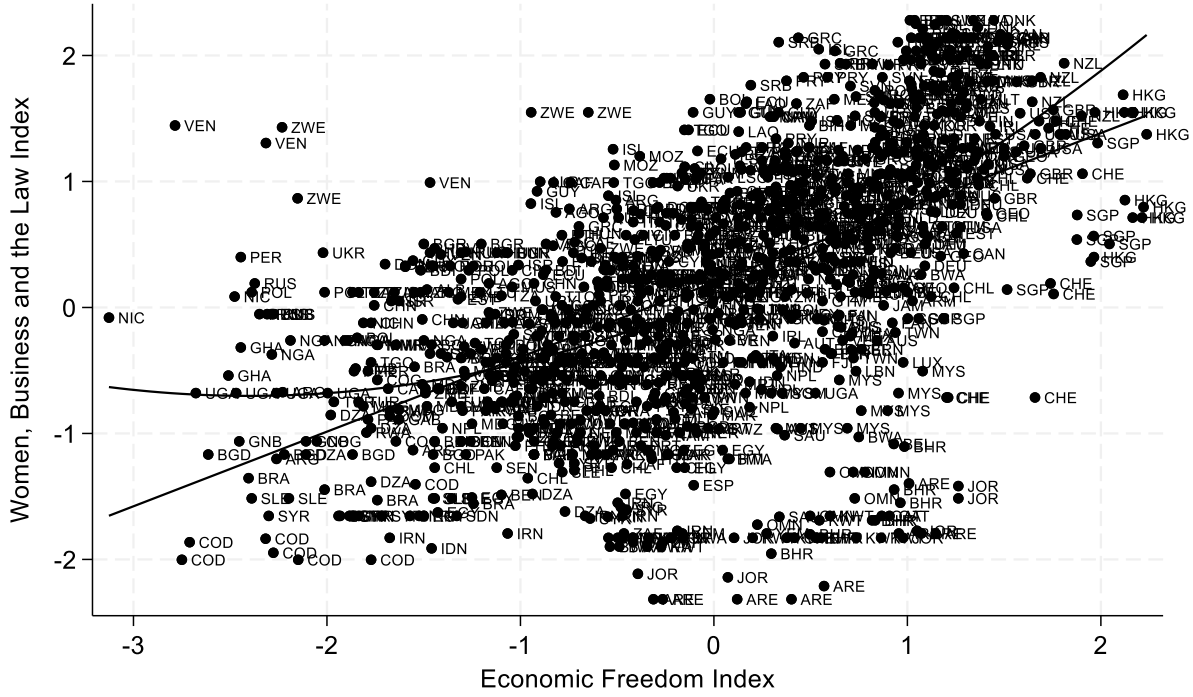
Notes: Detailed variable descriptions are provided in Table 1. Clustered standard errors are reported in parentheses. ***, **, and * denote significance at 1%, 5%, and 10%, respectively.

Table 8: Economic Freedom and Women's Economic Rights, Economic Controls

Dep. Var: WBL	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
EFW(t-1)	0.09**	0.09**	0.15***	0.09**	0.10**	0.10**	0.11***	0.09**	0.08**
	(0.03)	(0.03)	(0.04)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Log GDP pc(t-1)	-0.03	-0.02	-0.17**	-0.04	-0.07	-0.08	-0.03	-0.03	-0.02
	(0.06)	(0.06)	(0.07)	(0.06)	(0.06)	(0.07)	(0.06)	(0.05)	(0.03)
Growth(t-1)	-0.00								
	(0.01)								
Oil rents(t-1)		-0.00							
		(0.01)							
Female LFP(t-1)			-0.00						
			(0.01)						
Historical ethnic frac(t-1)				-0.15					
				(0.17)					
Avg. schooling (t-1)					0.06				
					(0.05)				
Female schooling(t-1)						0.03			
						(0.03)			
Tertiary enroll(t-1)							0.04		
							(0.04)		
Human capital index(t-1)								0.11	
								(0.13)	
Common law									0.02
									(0.06)
Religion controls	NO	NO	NO	NO	NO	NO	NO	NO	YES
Regional controls	NO	NO	NO	NO	NO	NO	NO	NO	YES
WBL(t-2)	0.37***	0.37***	0.12**	0.38***	0.39***	0.31***	0.33***	0.38***	0.57***
	(0.04)	(0.05)	(0.05)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Country FE	YES	YES	YES	YES	YES	YES	YES	YES	NO
Year FE	YES	YES	YES	YES	YES	YES	YES	YES	YES
Constant	0.26	0.13	1.79**	0.25	0.28	0.57	0.28	0.27	0.23
	(0.49)	(0.50)	(0.69)	(0.52)	(0.57)	(0.63)	(0.57)	(0.47)	(0.26)
# observations	931	930	647	872	841	794	841	920	948
# countries	153	153	152	137	127	133	148	139	150
R^2 (within)	0.77	0.77	0.69	0.77	0.78	0.76	0.79	0.77	0.76

Notes: Detailed variable descriptions are provided in Table 1. Clustered standard errors are reported in parentheses. ***, **, and * denote significance at 1%, 5%, and 10%, respectively.

Figure 1: The Association between the Economic Freedom Index and the Women, Business and the Law Index



Notes. This figure plots the standardized values of the economic freedom index and the WBL index using panel data from 1970-2019 with five-year averages. World Bank country codes are used to identify data points. Linear and quadratic fitted lines are included in the figure.