

Business, Relationships, and Flourishing

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“Perception is reality.”

Perceptions of Business

2006:

- According to TV, you are 21 times more likely to be kidnapped or murdered by a business person than by the mob

How Did We Get Here?

- The way we teach business...
 - Business education focuses too much on technical education
 - Business education ignores the soul of business

The Solution

- We need to teach skills *AND* teach why we have business
- We must train their hands and their minds
- We need to produce more holistic business people, not just business users

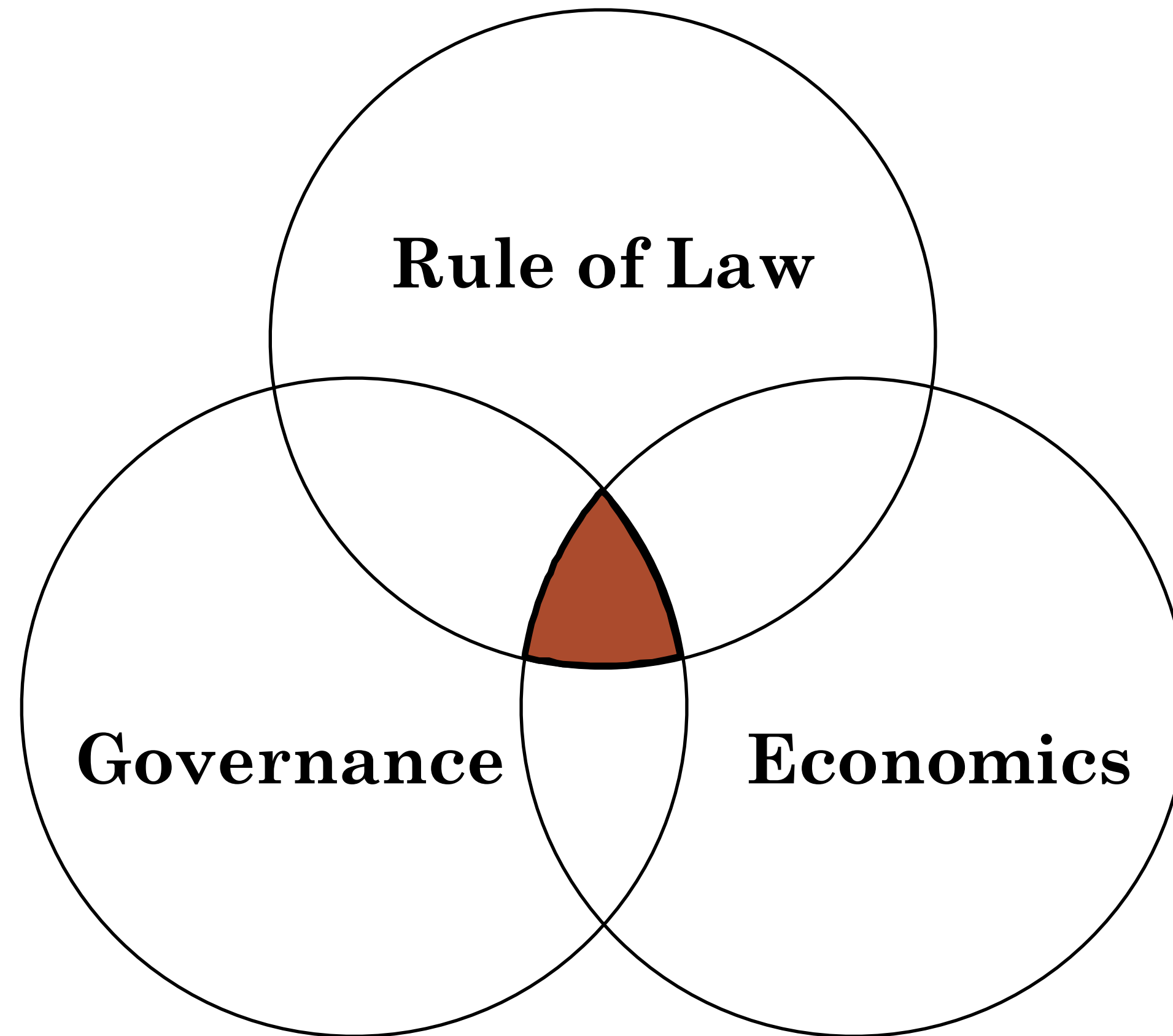
Relationships vs. Transactions

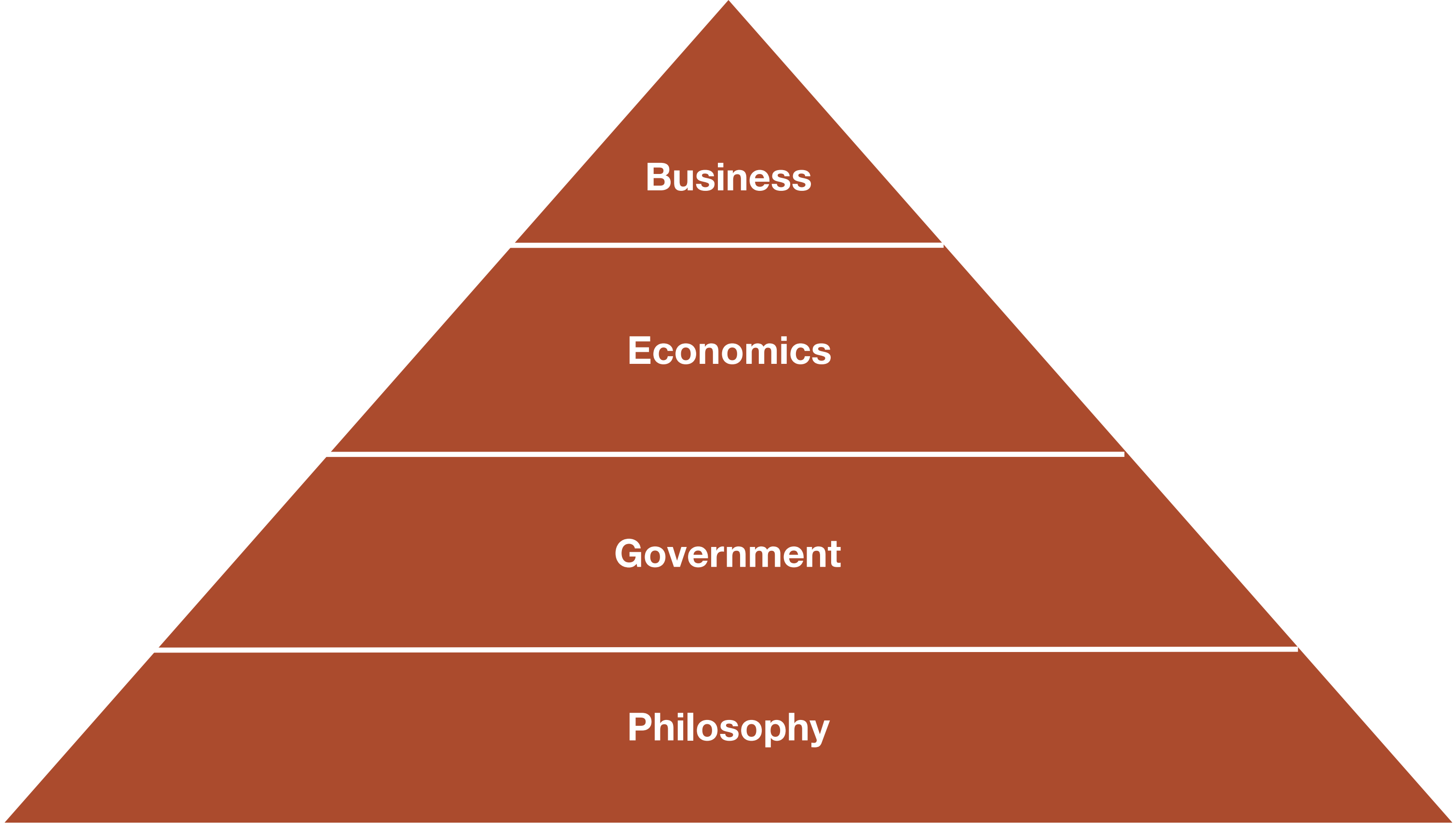
- Business is inherently social
- Business is about relationships
- “People aren’t bricks”

It is morally as bad not to care whether a thing is true or not, so long as it makes you feel good, as it is not to care how you got your money as long as you have got it.

– Edwin Way Teale

A Well Functioning Ecosystem for Principled Entrepreneurship





Business

Economics

Government

Philosophy

Getting Quantitative...

Economic Freedom

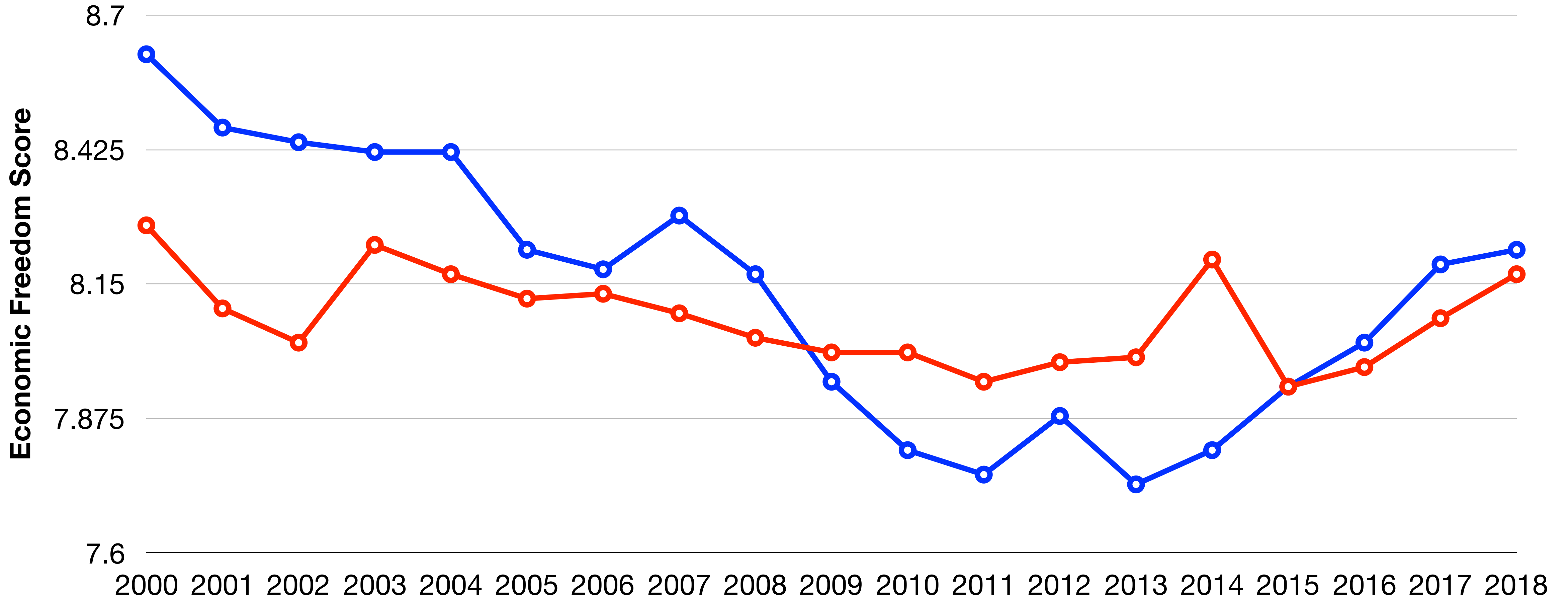
- Economic Freedom is objectively measured across several variables measuring:
 - Size of Government: expenditures, taxes, and enterprises
 - Legal Structure and Security of Property Rights
 - Access to Sound Money
 - Freedom to Trade Internationally
 - Regulation of Credit, Labor, and Business

Economic Freedom

- Why do we care?
 - Economic freedom is the driving force behind the creation of entrepreneurial opportunities, job creation, and enables human flourishing

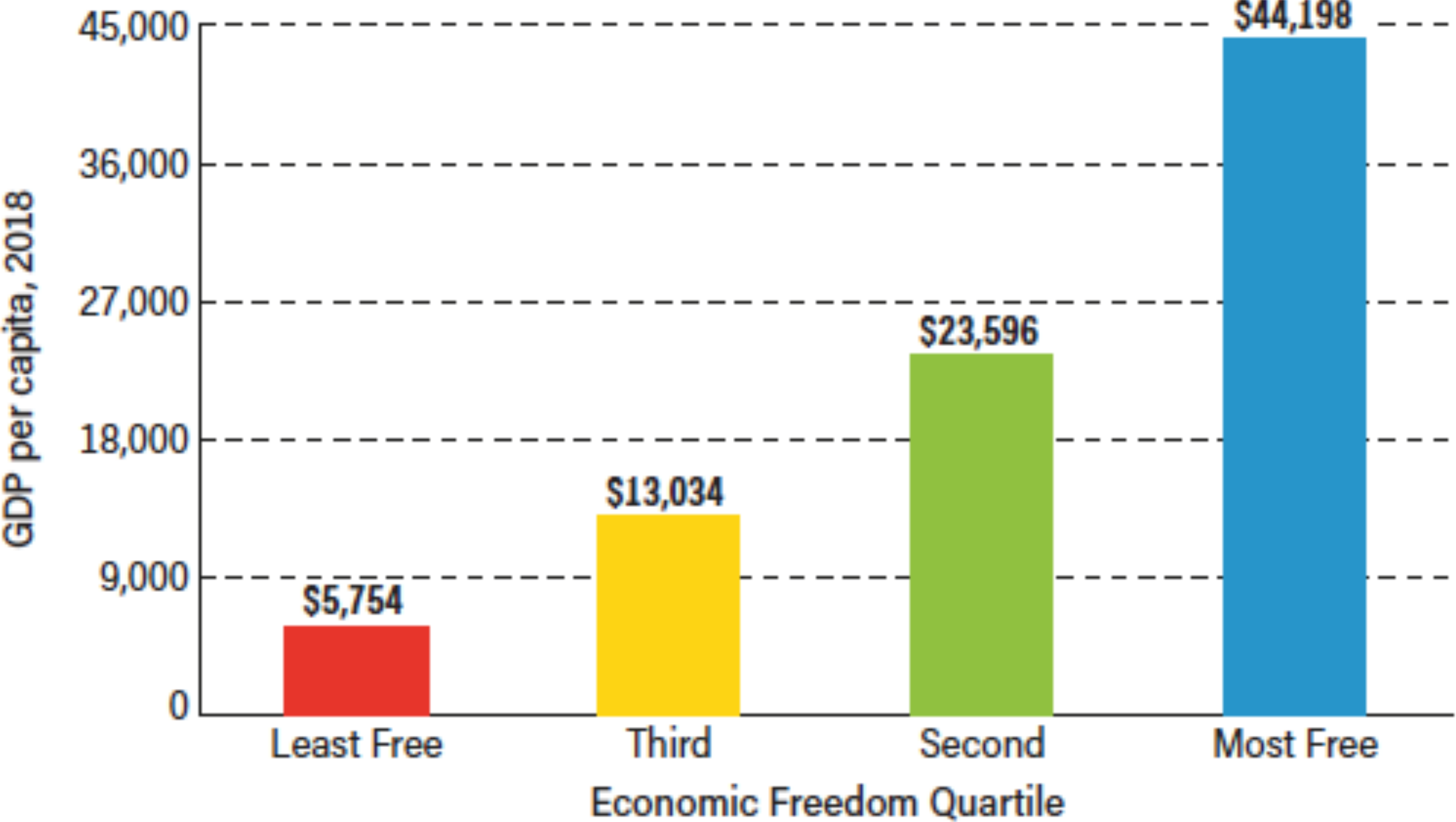
 **Canada**

 **United States**



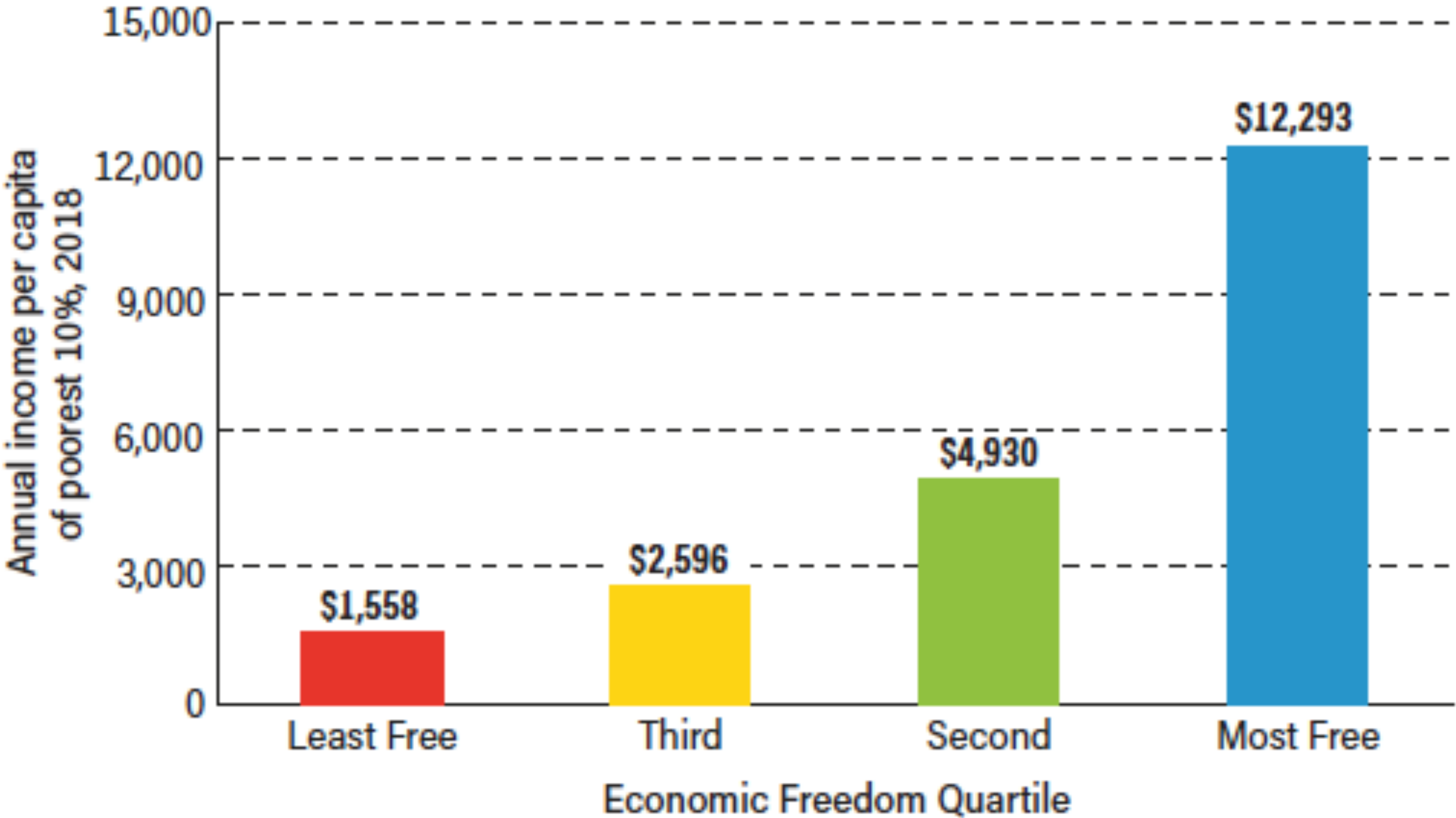
Economic Freedom of the World Annual Report 2020

Per Capita Income and Economic Freedom



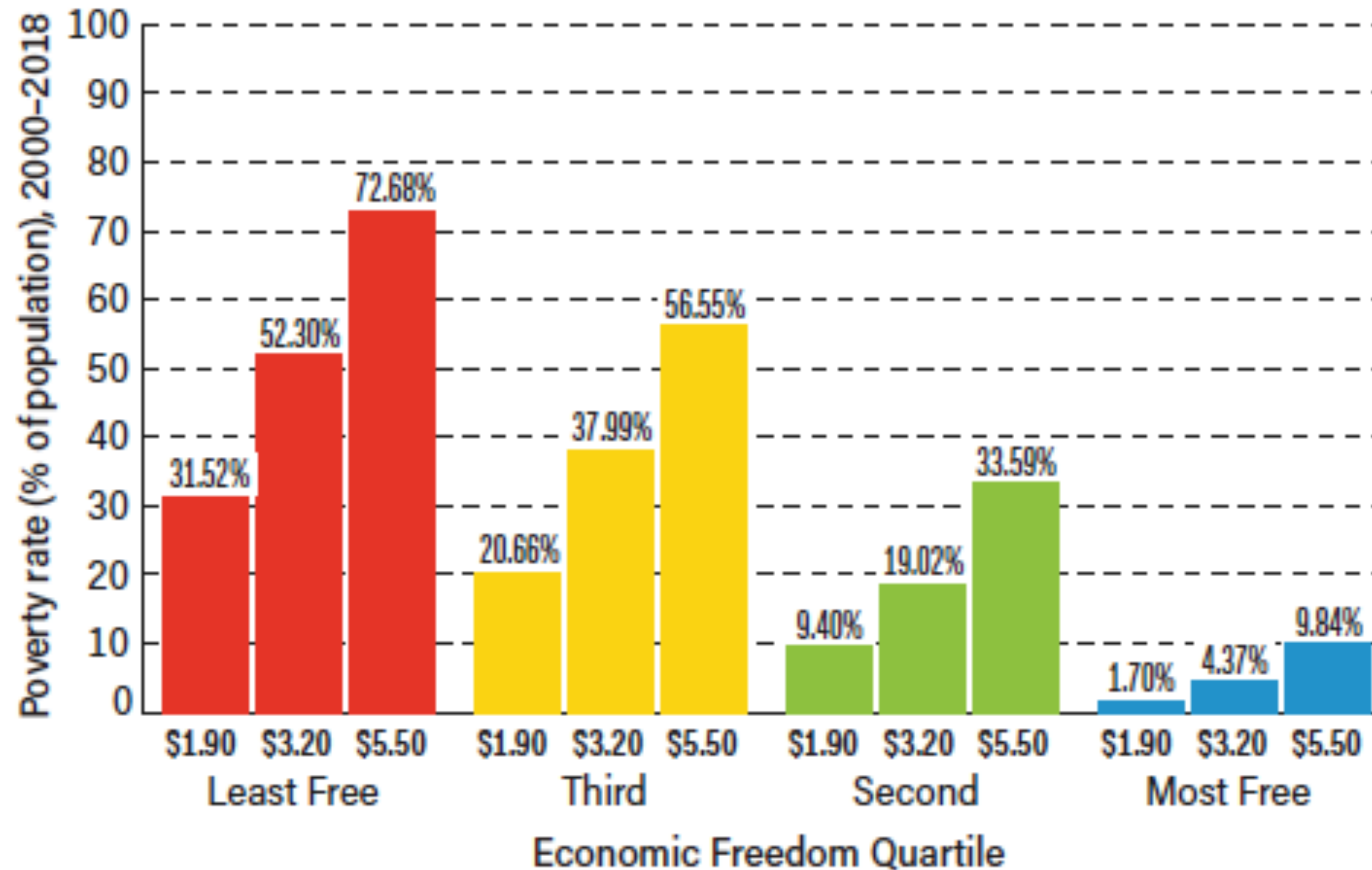
Sources: Average Economic Freedom Panel Score, 2000-2018; World Bank, 2020, *World Development Indicators*.

Income of the Poorest 10% and Economic Freedom



Sources: Average Economic Freedom Panel Score, 2000–2018; World Bank, 2020, *World Development Indicators*.

Extreme and Moderate Poverty Rates and Economic Freedom



Note: The columns show the percentage of a country's population that lives on \$1.90 per day, \$3.20 per day, or \$5.50 per day, in 2011 constant PPP-adjusted dollars.

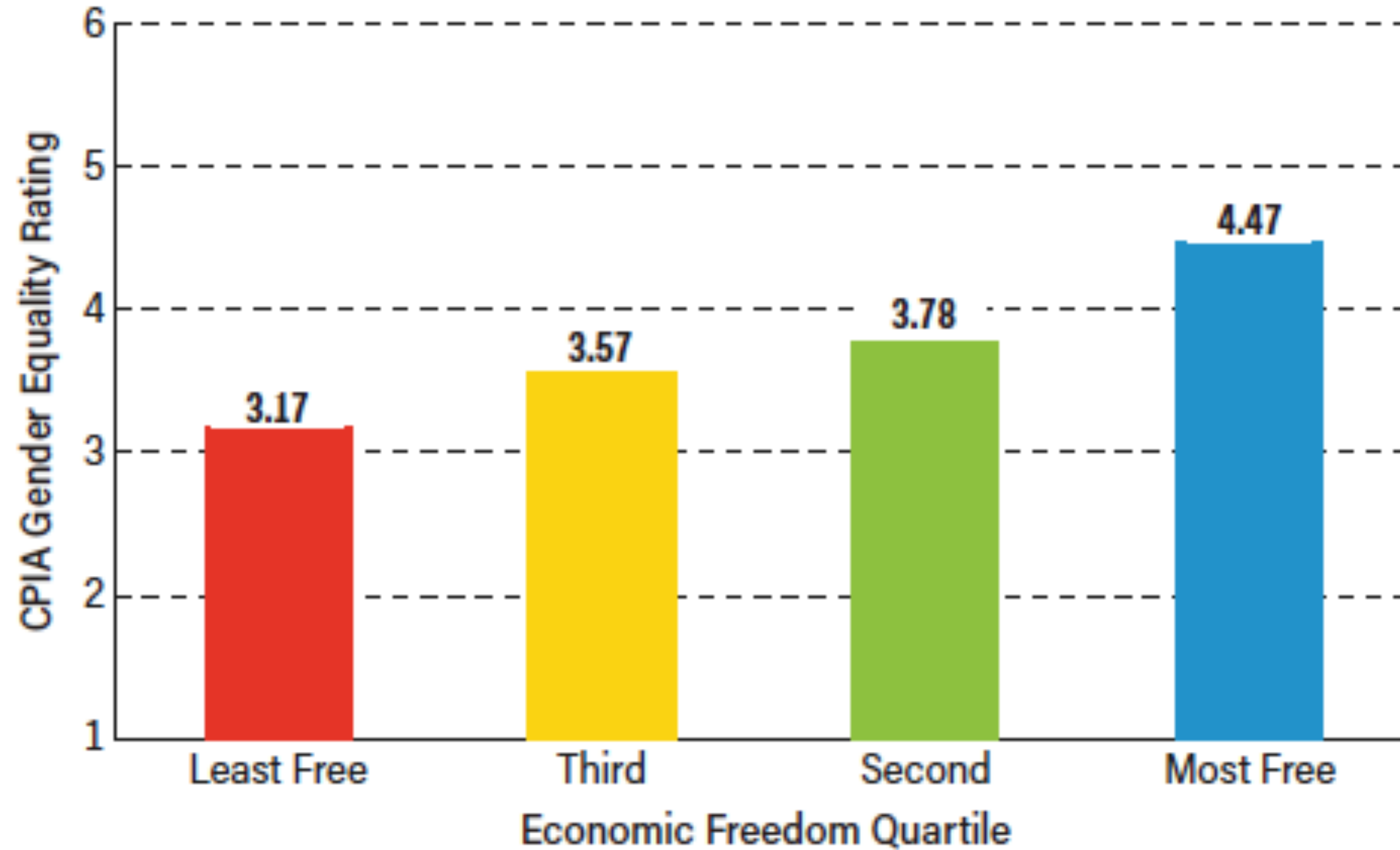
Sources: Average Economic Freedom Panel Score, 2000–2018; World Bank, 2020, *World Development Indicators*.

Life Expectancy and Economic Freedom



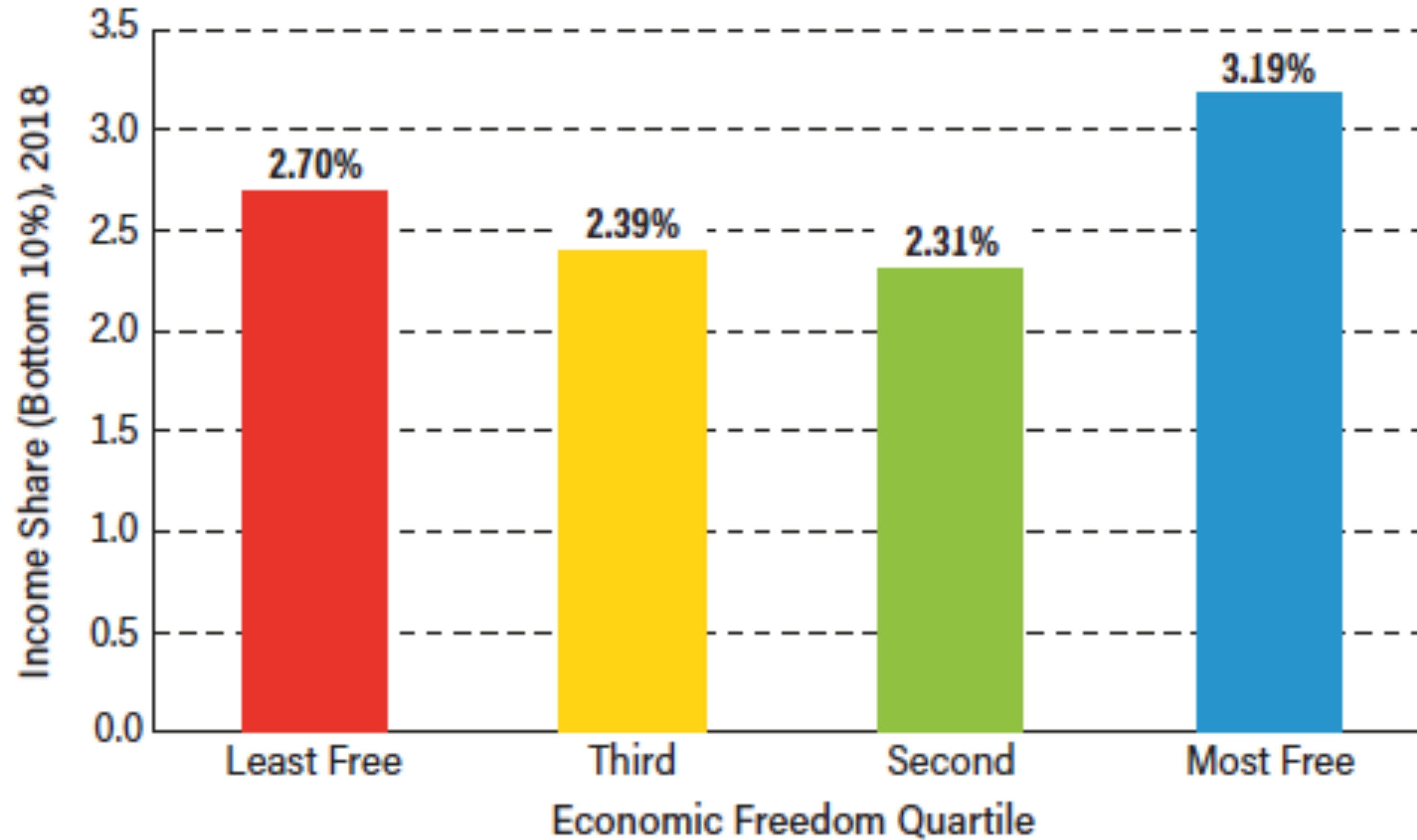
Sources: Average Economic Freedom Panel Score, 2000–2018; World Bank, 2020, *World Development Indicators*.

Gender Equality



Sources: Average Economic Freedom Panel Score, 2000–2018; World Bank, 2020, *World Development Indicators*.

Income Share of the Poorest 10%

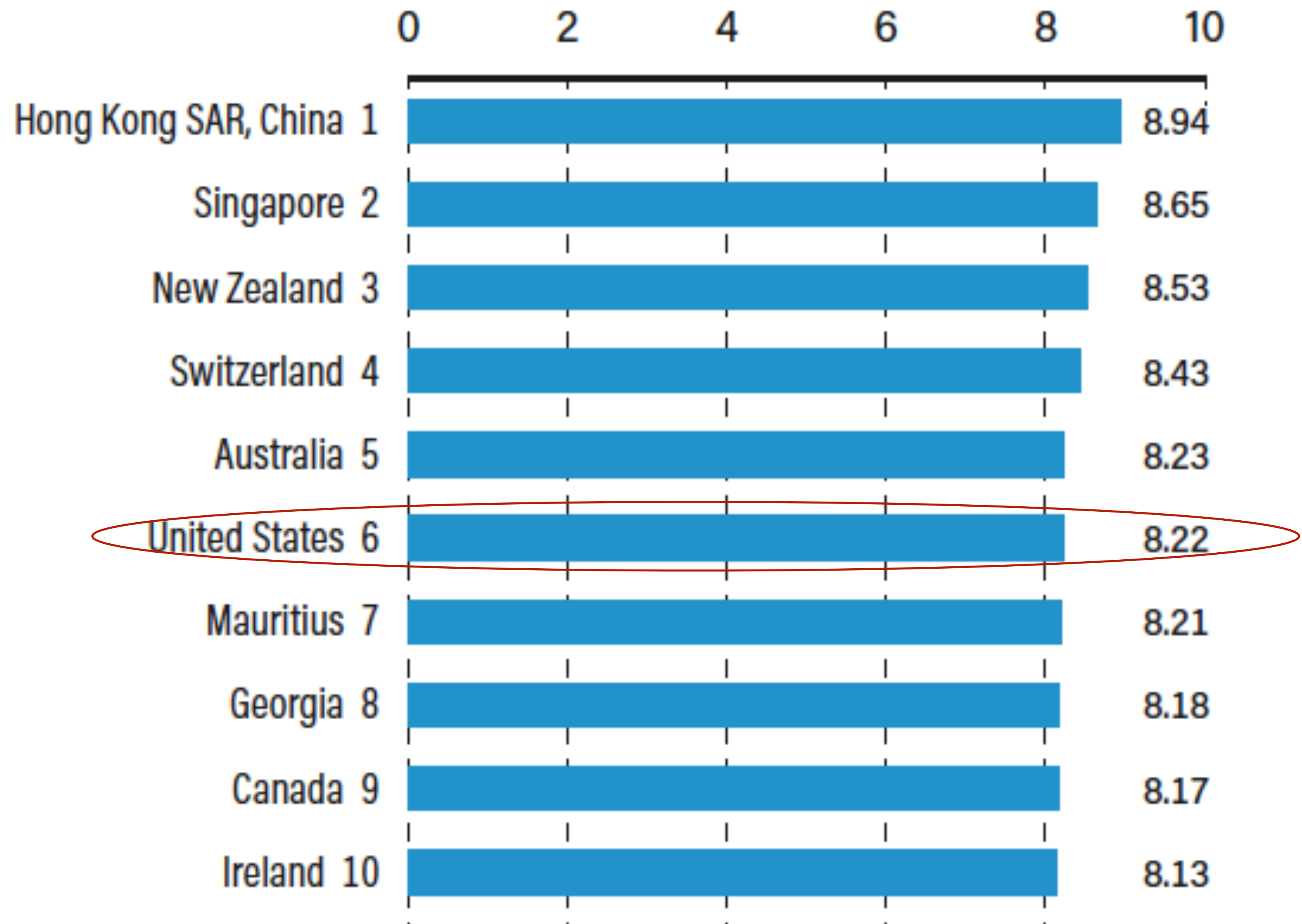


Sources: Average Economic Freedom Panel Score, 2000–2018; World Bank, 2020, *World Development Indicators*.

- Economic Freedom is also associated with:
 - Greater employment
 - Less corruption
 - More civil rights
 - Cleaner environment
 - Lower infant mortality rates

Who doesn't like these things?

Where Are We Today?



**Business move to places
where its easier to do business**

Not California Dreamin'

- In 2011, 254 companies left California
- Chevron and Waste Connections moved jobs to Texas
- Occidental Petroleum relocated to Texas

Torrance, CA to Plano, TX: \$2,626

Plano, TX to Torrance, CA: \$1,264

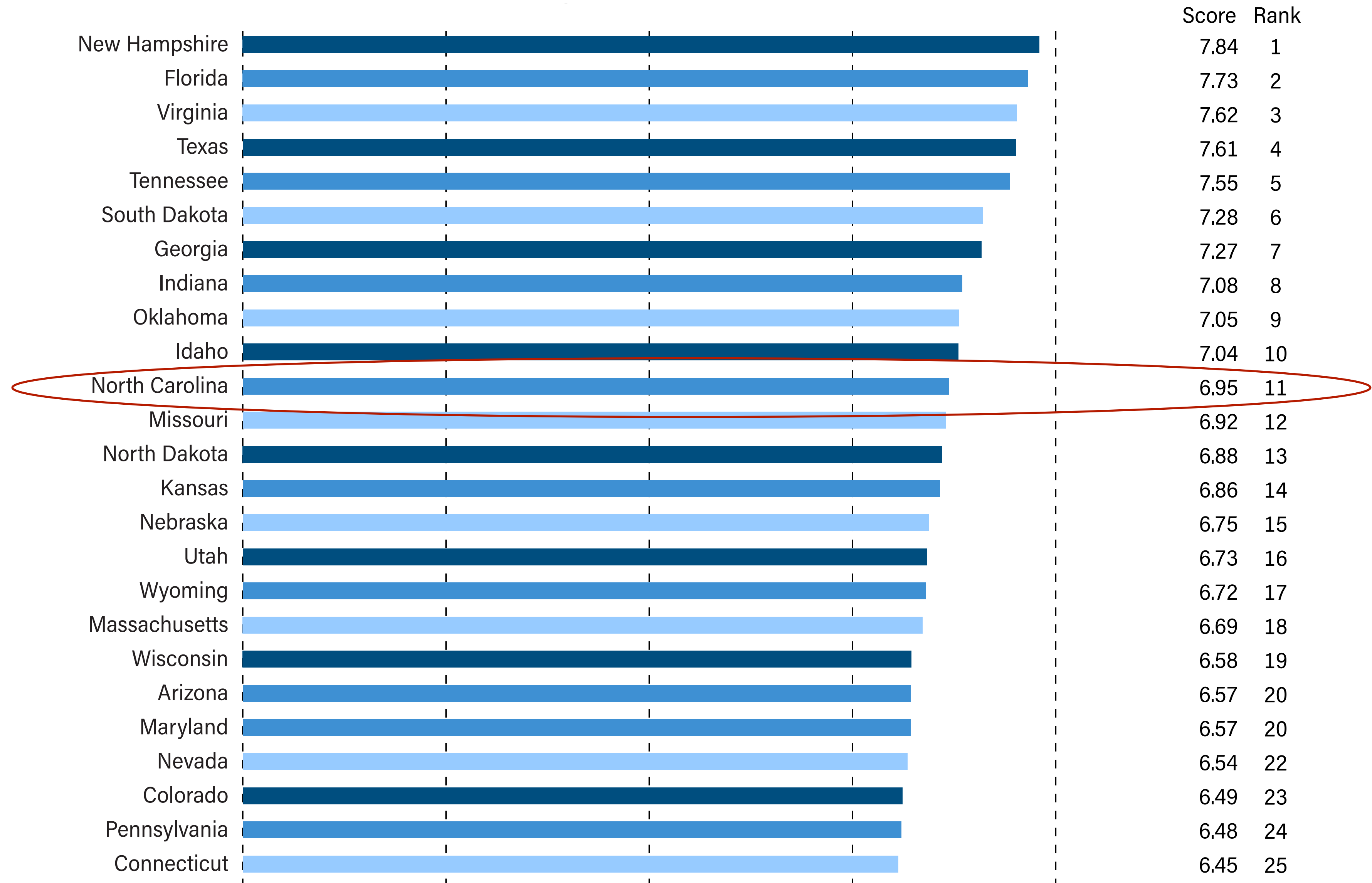


Los Angeles, CA to Dallas, TX: \$2,558

Dallas, TX to Los Angeles, CA: \$1,232

Prices Quoted for June 18, 2014

**It's easier to be entrepreneurial
where its easier to do business**



Economic Freedom

- Average World Annual Income (2019)
 - \$11,441.73 (World Bank)
- Poverty line in the US (2019)
 - \$12,490 (single person)
- How much money does it take to be in the top 2% of the world?
 - \$40,000 (According to Washington Post 2018)

Takeaways

- Remind people that business is about relationships not transactions
- People have dignity and aren't things
- If we can create an environment to unleash human creativity and operationalize it, we can enhance human flourishing

For More Information...

- www.freetheworld.com
- Economic Freedom of the World Annual Report
- Economic Freedom of North America Annual Report

**Question, Comments,
Concerns?**