



PRESS RELEASE

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The Puerto Rico Institute for Economic Liberty publishes the results of a survey on the free market on the Island.

Ninety-five percent say that people need economic freedom to trade and cooperate with each other and indicate that economic freedom is fundamental for development and progress.

The Institute of Economic Liberty (ILE) published the results of an investigation on the knowledge of the principles of the free market and the affinity with them in Puerto Rico. The study covered the four main pillars of the free market: “Individual liberty,” “Rule of law,” “Private property rights,” and “Limited government”; and topics such as “current situation of Puerto Rico,” “social welfare,” and “meritocracy,” among others.

The report *The Free Market in Puerto Rico 2022* highlights that the participants broadly support the free-market system and believe that it does not have the weight it should on the Island; for example, 99.6% of the sample states that people should be free to make decisions in pursuit of their own well-being; and 97% states that they should be able to earn a living honestly in whatever they wish, without obstacles on the part of government.

Although participants are divided on how they assess their personal economic situation, 88% responded that Puerto Rico’s economic situation is bad or very bad. Moreover, 92% believe that the direction of the Island’s economy is bad or very bad. These results indicate that a large majority of people in the sample have a negative perception of the local economy, although about half of them do not feel personally at risk.

The report was prepared by Dr. Ángel Carrión-Tavárez, Director of Research and Public Policy at ILE; Dr. Luz N. Fernández-López, researcher at ILE; and Dr. Juan Lara, economist and professor at the University of Puerto Rico. The first two were in charge of the design of the study and the construction and administration of the questionnaire, which consisted of sociodemographic data of the participants and 25 multiple-choice questions or statements.

Those who answered the questionnaire believe in individual responsibility and self-effort to satisfy desires and achieve personal aspirations. “From the perspective of a change from the

welfare model to one of economic mobility in Puerto Rico, it is significant that 98% of those surveyed say they are capable and responsible for achieving their goals and 93% affirm they prefer to make a living by working,” said Dr. Carrión-Tavárez.

The majority evaluation of social welfare programs is that they are not very effective and require modification. More than 80% of the sample disagrees that these programs are designed to lift people out of poverty; and three-quarters of respondents agree that these programs only meet the basic needs of people while they are poor. In addition, two-thirds disagree that they give people the opportunity to stand on their own feet and start over.

Another important result is that 81% agree that the free market contributes to more employment, less poverty, and a better quality of life; however, 58% answered that the government has the greatest weight in the economy of Puerto Rico at present. This important result reveals that the sample perceives a lack of alignment between the value aspirations and the prevailing reality, regarding economic liberty and the free market,” added Carrión-Tavárez.

One striking result is that 61% of the participants strongly agreed or agreed with the Spanish saying “Si no tiene padrino no se bautiza” (If you do not have a godfather you do not get baptized), no matter how prepared one is. This result suggests that although respondents generally give primacy to the individual agency and meritocracy, they perceive that in Puerto Rican society people’s action is limited by the culture of favoritism.

The report includes a ranking that demonstrates the distance between the importance of free-market principles for participants and their assessment of how good or bad they function in Puerto Rico. “In the ranking of the principles, it stands out that 12 have 90% or more of importance and 17 have more than 80%. In contrast to these results, almost half of the principles have less than 10% of good performance and none exceeded 40%,” Carrión-Tavárez concluded.

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About the Puerto Rico Institute for Economic Liberty

Created in 2019, the Instituto de Libertad Económica para Puerto Rico (ILE) is a non-profit, non-governmental organization registered 501(c)(3) and (1101.01 (a)(2)(B), non-partisan entity. In its role as a developer of ideas, ILE has the goal of identifying and removing barriers in the public sector, to provide greater opportunities for progress to the residents of Puerto Rico and enable the prosperity of all in a market economy. Through dialogue and collaboration with different sectors, ILE seeks to develop economic policy supported by scientific research; support ideas and initiatives based on free-market principles; provide the government with solutions to problems and situations that interfere with the individual’s freedom and potential for innovation and entrepreneurship; and educate and engage the people of Puerto Rico in reforms that create opportunity. Learn more about us at www.institutodelibertadeconomica.org or on Facebook, Instagram, and LinkedIn at @ilepuertorico.