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CANADA MUST DO MORE TO PROTECT AND ENCOURAGE FREEDOM OF EXPRESSION

By Miguel Ouellette and Maria Lily Shaw

In recent years, there has been a significant trend toward censorship in universities, but also among the general population. A single worldview is promoted, and attempts are made, sometimes even using coercion,[1] to silence individuals who see things differently. This is the case in many American universities, where professors and researchers have the impression that they are constantly walking on eggshells and are harassed by many students. Unfortunately, this trend seems to be gaining ground in Canada, as we saw at the University of Ottawa in recent months,[2] and does not just affect academia, but also the media and a certain more radical segment of the general population.

In a market economy like ours, freedom of expression, or free speech, has been one of the pillars of the wealth we have accumulated over time, and of our current level of well-being. Indeed, it is the opposition of ideas and the diversity of tastes that have encouraged companies to innovate and to constantly look for ways to respond to the different needs and preferences expressed in the market. By suppressing the incentive to improve and stand out from the pack, censorship and threats to freedom of expression therefore also have harmful economic consequences.

FREEDOM OF EXPRESSION AND ECONOMIC GROWTH

Many fans of subjectively and strictly limiting freedom of expression think that hate speech is so costly for society that it justifies intervention from our governments and university administrators. While society should aim to reduce the prevalence of such speech, this argument misses the mark by focusing solely on one aspect, without considering the collateral economic harm associated with limits to free speech that slow and discourage innovation.[3]

Although it is true that hate speech toward individuals or groups is never the kind of speech that favours innovation, limiting it could nonetheless generate costs for society that are much higher than the gains from enjoying more homogenous speech devoid of disparaging remarks.

If limits were imposed and the penalties for "bad" speech were high enough—for example, being fired

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or having to pay a fine—the simple fear of being unintentionally controversial could reduce the probability of engaging in debate or conversation. This self-censorship would not be without consequences.

On this, the economic and general scientific literature is clear: The exchange of ideas stimulates innovation, and innovation is one of the main engines of economic growth and rising living standards. This is just what researchers and economists from Stanford University,[4] from Dartmouth College,[5] and from the University of California, Berkeley[6] have expressed in academic papers.

Moreover, by analyzing data from 132 countries,[7] we observe that there really is a correlation between freedom of expression and the wealth of a nation, as the trend line in Figure 1 illustrates. The more a country favours freedom of expression, the wealthier it is.

Clearly, freedom of expression is not the only variable explaining the level of wealth of a country's population, and it is important to try to isolate the effect of free speech using an economic model in order to draw more rigorous conclusions—which we have done in the section that follows.
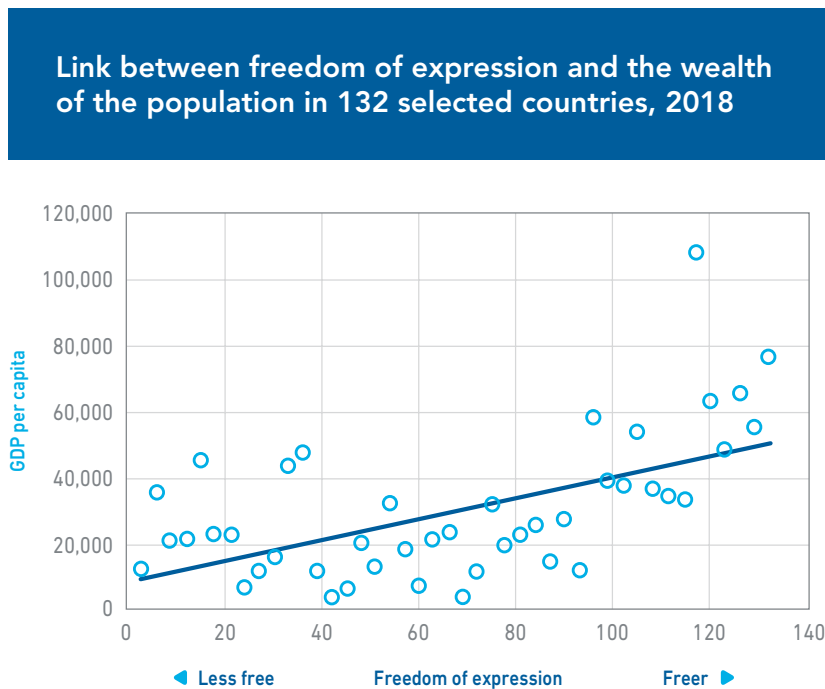
However, whether we look at wealth per capita, longevity, educational level, or infant mortality, it is generally the freer countries, both economically and in terms of freedom of expression, that shine out. It is empirically clear that encouraging the exchange of ideas promotes innovation and thus higher living standards.

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Moreover, freedom of expression must also include and favour freedom of the press and the freedom to debate on university campuses, as well as the right to challenge the orientations of our governments.

Otherwise, if we assume that one part of the population has the absolute truth, which would still not justify censoring the exchange of ideas, what was the

Figure 1

Link between freedom of expression and the wealth of the population in 132 selected countries, 2018

Note: GDP per capita is the average of countries in groups of three according to the freedom of expression ranking, in descending order. When data for a given country was unavailable, it was removed from the sample. Freedom of expression stems from the "2018 World Press Freedom Index," which is used as a proxy for freedom of expression. "1" is the minimum, and the higher the value, the better a country does on freedom of expression. See the authors' Technical Annex for more details.
Sources: Reporters Without Borders, "2018 World Press Freedom Index," 2019; World Bank, "GDP per capita, PPP (current international $)," 2020.

use of having transformed our educational system, which used to favour indoctrination (often religious), for a more liberal system in terms of teachings? A step in the direction of a return to dogma runs counter to modern society's progressive values.

BENEFITS FOR CANADIANS

Favouring the exchange of ideas and the protection of free speech is intuitively beneficial, and more qualitative academic research confirms it. But concretely, for the average Canadian, what would be gained economically if our governments implemented public policies in line with the conclusions of the scientific literature in this regard?

To answer this question, we put together a sample of 132 countries by extracting different variables related to the wealth of inhabitants, demographics, health, education, and of course freedom of expression. Then, using an econometric model, we isolated the effect of freedom of expression on the wealth of Canadians (see our Technical Annex). The idea was to confirm the conclusions of qualitative studies and fundamental principles, while estimating the monetary gain per Canadian associated with improving our performance when it comes to freedom of expression.

In our sample, Canada is among the top 15% of countries in terms of freedom of expression. While it is true that we live in a relatively free society, taking this good ranking for granted would be a mistake. Indeed, our calculations show that it would be beneficial for Canada and Canadians to improve our ranking.

As illustrated in Table 1, if Canada adopted public policies more favourable to freedom of speech, and it succeeded in taking first place from Norway, individual Canadians would be an average of C$2,522 richer each year.[8] More precisely, for each step up in the ranking, every Canadian would be around $150 richer per year on average.

As economic theory and empirical evidence show, favouring freedom of expression stimulates, among other things, innovation, entrepreneurship, and research efficiency, and encourages our policy-makers to do a better job of managing public finances. It is all of these consequences taken together than explain the resultant annual per capita gains that can be seen in the table. Obviously, these are not cheques that are sent in the mail at the end of the year, but rather a gradual increase in our living standards propelled by the effects stemming from greater freedom of expression.

Of course, launching campaigns of censorship, as certain lobby groups and politicians want, would have the opposite effect, making Canadians poorer. Even if the intention behind the desire to banish hate speech or inflammatory ideas can sometimes be laudable, the unintended economic and social consequences are all too real.

> **If Canada adopted public policies more favourable to freedom of speech, individual Canadians would be $2,522 richer.**

Since freedom of expression is not an indicator that is as easy to measure as the unemployment rate, say, the ranking of the selected countries was built according to, among other things, level of pluralism, media independence, social environment and self-censorship, legal framework, transparency, informa-

Table 1

Average annual gains per capita if Canada (in 18th place) were ranked…		
Rank	**Country**	**Annual gains**
1	Norway	$2,522
2	Sweden	$2,374
8	New Zealand	$1,484
11	Austria	$1,039
15	Germany	$445

Note: Annual gains in GDP per capita.
Source: Author's calculations. See Technical Annex for more details.

tion infrastructure quality, and the presence of violence.[9]

These conditions, which determine a given country's degree of freedom of expression, allow us to then formulate concrete public policy proposals in order to make Canada more competitive in this regard and to enjoy the attendant economic benefits.

It is not surprising to observe this causal link between freedom of expression and the wealth of a country's population. The countries around the world where people suffer under repressive, authoritarian regimes are also those that are generally poorer, even though freedom of expression is just one factor among others. However, in the West, it is harder to tell the difference between countries when it comes to free speech, since the vast majority of them are, like Canada, relatively free.

Nonetheless, by digging further, it becomes clear that there are striking differences between Western countries. For example, in Norway, it is standard practice for politicians to make constant efforts, encouraged by citizens, to better protect freedom of expression, both nationally and globally. In fact, a few years ago, this country armed itself with a national and an international action plan to promote media independence, reduce already-low limits to the exchange of ideas, and increase government transparency.[10]

In Canada, and especially in certain provinces like Quebec, the government can arbitrarily decide to subsidize one media outlet rather than another, which can potentially hinder media independence

and therefore lead to biased and less reliable information. Moreover, the exchange of ideas is sometimes discouraged by certain student associations on school campuses.[11] Not to mention that it is increasingly difficult to obtain information from our governments through requests for access to information.[12] These examples illustrate a part of the difference that exists between Norway and our country, and that should be reduced or even eliminated, to the benefit of Canadians.

> **With the rise of a movement promoting a single worldview and encouraging censorship measures, our governments must not give in to the pressure.**

OUR RECOMMENDATIONS

To make this happen, we propose among other things that our provincial and federal governments collaborate in order to equip themselves with a plan to promote freedom of expression that would:

- Favour media independence from government by limiting arbitrary subsidies and, in their place, creating a regulatory and fiscal framework favourable to all media, including those that would like to enter the market;

- Encourage Canadian public universities to protect freedom of expression in order to truly allow their researchers, professors, and students to express themselves freely without risk of reprisals;

- Increase the information and data available to the population by reducing the need to make requests for access to information, in order to facilitate public debate.

With the rise of a movement promoting a single worldview and encouraging censorship measures, our governments must not give in to the pressure. The demands of these groups are economically harmful, and the well-being that stems from living in a relatively free country like Canada must not be compromised. The lesson to be drawn from the scientific literature and the calculations presented in this publication is that we need to do more to protect the freedom of expression of Canadians.

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TECHNICAL ANNEX

DESCRIPTION OF METHODOLOGY AND VARIABLES

To capture the effect that freedom of expression has on the wealth of the inhabitants of a country, we employ an Ordinary Least Squares (OLS) multiple linear regression model using cross-sectional data for eight independent variables and a sample of 132 countries. This methodology is commonly used with cross-sectional data and allows us to isolate the impact of a change in a country's positioning in the press freedom ranking on that country's GDP per capita. The dependent variable, GDP per capita, is expressed in current international dollars (USD)[1]. To eliminate the differences in price levels between countries, GDP per capita has been converted using the Purchasing Power Parity (PPP) factor. By doing so, we improve the reliability of our results.

Of course, there are numerous factors that can affect the economic development of a country; however, we have carefully selected an ensemble of independent variables that have proven to be pertinent in previous literature, and that reflect the wealth, freedom, health, and education of a country's inhabitants. All data used in this study reflect year-end values for 2018.

The estimated model is the following:

$$GDPperCapita_t = \beta_0 + \beta_1 Rank_t + \beta_2 Land_t + \beta_3 Pop_t + \beta_4 GDP_t + \beta_5 CPI_t + \beta_6 Unemp_t + \beta_7 InfMort_t + \beta_8 Educ_t + \epsilon_t$$

Where ϵ_t is the error term.

Freedom of the press ranking: This consists of the independent variable of interest and is used as a proxy to measure freedom of expression in a country. Press freedom accurately represents the freedom of expression of a country's population because this freedom includes both the right to speak and the right to be heard. To be more specific, Article 19 of the Universal Declaration of Human Rights protects freedom of expression and includes the right to "seek, receive and impart information and ideas through any media and regardless of frontiers."[2] Therefore, freedom of expression and of the press can be interpreted as one single standard, with little if any significant differences. Moreover, given the critical role played by the press in all societies, that is, the role of disseminating news and information, one can reasonably argue that measures of press freedom quite precisely measure freedom of expression in the vast majority of countries. This variable is represented by $Rank_t$, as seen in the regression equation above.

Land: This variable is represented by $Land_t$ in the model equation. It is measured in square kilometres, and consists of a country's total area, excluding area under inland water bodies, national claims to the continental shelf, and exclusive economic zones.

Population: This variable is included due to its mathematical relation with the dependent variable, as GDP per capita for a given country is calculated by dividing its total GDP by the country's population. For every country in our analysis, the population variable in the regression equation, Pop_t, includes all residents regardless of legal status or citizenship.

GDP in current USD: Much like the population variable, GDP is included due to its presence in the mathematical formula used to calculate GDP per capita. The data for GDP in all 132 countries were compiled in international dollars (USD) for the year 2018. For the purpose of this study, we have converted all monetary values into domestic currency (CAD) using the average 2018 conversion rate for Canada and the United States (1.2957).[3] This predictor is represented by GDP_t in the model equation.

Consumer Price Index (CPI): The CPI reflects the cost to the average consumer of acquiring a predetermined basket of goods and services. Each good in the basket is weighted according to the proportion of average household expenditure accounted for by that good. The CPI indicates whether the economy is experiencing inflation, deflation, or stagflation, and is closely related to a country's GDP, and therefore its GDP per capita. This predictor is shown as CPI_t in the regression equation.

Youth unemployment rate: This indicator, represented by $Unemp_t$ in the equation above, refers to the share of the labour force aged 15 to 24 without work, but available for and seeking employment. A high level of youth unemployment can indicate a lack of quality of education, and in the long term can have adverse impacts in the form of lower levels of human capital, reduced wages, and weakened labour force participation.[4] The relationship between the unemployment rate of young adults and GDP per capita is unambiguous and heavily documented.

Infant mortality rate: The infant mortality rate is shown as $InfMort_t$ in the model equation. This variable consists of the number of infants who die before reaching one year of age, per 1,000 live births in a given year. This is a widely used and long-established measure of the overall health of a population. Indeed, a 2005 United Nations report[5] stated that "[the infant mortality rate] could stand as a proxy for the measurement of population health." The link between the well-being of a population and GDP has been proven by multiple empirical studies.

Years of compulsory education: This is employed as a measure of the level of education in a given country. The motivation for introducing these laws, or for updating them, relates to the well-founded assumption that society benefits collectively from raising a country's overall educational attainment because doing so promotes good citizenship and economic development. Indeed, an educated workforce has long been linked to economic growth and has consistently been shown to

be positively correlated with GDP. Empirical analyses from various countries[6] have found evidence of a positive and significant relation between the number of compulsory years of education and the educational attainment of a country's population. This predictor is represented by $Educ_t$ in the equation above.

The data used in this study were obtained from the World Bank, with the exception of the press freedom ranking, which was obtained from the Reporters Without Borders (RSF) website.[7] RSF is an independent non-governmental organization with consultative status with the United Nations, UNESCO, the Council of Europe, and the International Organization of the Francophonie.[8] Every year, the group issues its World Press Freedom Index, ranking 179 countries. For the purpose of this study, we have selected 132 of those countries,[9] which represented 96%[10] of the world economy in terms of GDP in 2018. The ranking is determined according to a combination of seven criteria:[11]

- Pluralism;
- Media independence;
- Media environment and self-censorship;
- Legislative framework;
- Transparency;
- Quality of the infrastructure that supports the production of news and information;
- Abuses.

The website issues a ranking ranging from 1 to 179, with 1 being the best possible score. However, to facilitate the interpretation of our results, we have inverted the order of ranking in our dataset.

INTERPRETATION OF THE COEFFICIENTS

The findings of our multivariable regression analysis are presented in Table A-1. Predictors significantly associated with GDP per capita are the freedom of the press ranking, population, GDP, the unemployment rate of youth aged between 15 and 24 years, and infant mortality.

There is a positive relation between the independent variable of interest and GDP per capita. This implies that as freedom of expression improves in a given country, GDP per capita will increase. The coefficient reveals that, all else being equal, if a country were to move up by one spot in the press freedom ranking, its GDP per capita would increase by $148, on average.

The unemployment rate of young adults aged between 15 and 24 years and the infant mortality rate, on the other hand, both display a negative relationship with the dependent variable. The magnitude of these coefficients suggested a strong link between the education and health of a country's inhabitants and their economic well-being. Indeed, all else being equal, a one-percentage-point increase in the youth unemployment rate decreases GDP per capita by $548. The same variation in the infant mortality rate will decrease the dependent variable by $815.

Table A-1

Regression analysis with sample of 132 countries	
Variables	**GDP per capita**
Freedom of Speech Ranking	148*** (47)
Surface area	0.0001 (0.0004)
Population	-1.86e-05* (1.06e-05)
GDP	1.55e-09*** (3.79e-10)
Consumer Price Index	-427 (274)
Youth unemployment (ages 15 to 24)	-548*** (148)
Infant mortality rate	-815*** (123)
Years of compulsory education	-1,356 (906)
Constant	55,883*** (15,191)
Observations	132
R-squared	0.521

Notes: Robust standard errors in parentheses. The data are for the year 2018. ** $p<0.01$, ** $p<0.05$, * $p<0.1$.

The negative correlation between population and GDP per capita is simply the result of the mathematical relationship between the dependent variable and the population variable. A higher population will decrease GDP per capita as it is the denominator of the formula for the dependent variable: GDP per capita = GDP/population. It is therefore not surprising to find a negative and significant correlation between GDP and our dependent variable.

Lastly, the coefficient representing the general level of education of a country's population reveals a negative but statistically insignificant relationship with GDP per capita. We argue that this counterintuitive result may be explained by the fact that many developing countries in our dataset have strict compulsory education laws, but a low GDP per capita. This particularity in our dataset can blur the true correlation between the education variable and the dependent variable.

As a general observation, these findings are in accordance with the existing literature that analyzes the relation between freedom of expression and the general well-being of a country's population. For instance, one Stanford University paper provides evidence of the importance of the free exchange of ideas and concludes that it is a critical component to an innovative economy. More specifically, it reveals that a rise in the stock of ideas produced by researchers explains 70% of

the economic growth experienced in the United States between 1950 and 1993.[12] In another study, researchers found that societies with a greater ability to express concerns to their government and officials are significantly more likely to experience higher levels of subjective well-being.[13] To be more precise, a society's well-being in this study is determined by its levels of income, unemployment, social inequality, social capital, and life satisfaction.[14] In yet another study, a California State University researcher found a positive and statistically significant relationship between GDP per capita and a transparency ranking issued by Transparency International.[15]

LIMITS AND STRENGTHS OF THE ECONOMETRIC MODEL

By including one single year in our dataset, we cannot draw any convincing conclusions on the effect that the independent variables have on GDP per capita through time. Nonetheless, selecting one single year does have its advantages. Most importantly, this type of dataset eliminates the possibility of serial autocorrelation; therefore, the parameter estimates obtained by our design are arguably more precise than those that would be generated with a panel dataset. Still, the OLS model employed in this article could be enhanced by including interaction terms among the independent variables.

Ordinary Least Square designs are commonly employed when using a cross-sectional dataset, but this type of model operates on a set of important assumptions. The implications of each assumption exceed the scope of this article, though one is worth mentioning: the assumption of linearity. In our interpretation of the results, we assume that every country has the same amount to gain when they increase their level of freedom of expression.

When working with macroeconomic variables such as our ensemble of independent variables, the prevalence of multicollinearity is common. A high level of multicollinearity can indeed be problematic as it undermines the statistical significance of an independent variable. Therefore, to ensure the reliability of our estimates, we performed a regression diagnostic test, the variance inflation factor (VIF) test. The VIF test provides a measure of potential multicollinearity between predictors. Upon verification, there were no alarming levels of multicollinearity in our model. Moreover, to control for heteroskedasticity, we employed robust standard errors.

To expand this study, the effect of the independent variable of interest could also be isolated and compared for a specific continent or subgroup of countries, such as the European Union or Africa. Moreover, this study can be extended by including multiple years to the model, effectively transforming this cross-sectional analysis into a time-series analysis.

There are many parameters that can affect the GDP per capita of a country, so the set of independent variables can also be altered. For instance, rather than using youth unemployment, one could use total unemployment. Given the counterintuitive coefficient generated for the education variable, a different measure of educational attainment should be considered in future research efforts.

We nonetheless believe that our results are robust, and that this study could also set the stage for further research.

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