

## ***Objectives of the Free Enterprise and Democracy Network***

*Ensure that the private sector and advocates of economic freedom have a voice in democratic reform globally*

*Spread a greater understanding of the linkages between economic freedom, prosperity, and democracy*

*Engage champions of the private sector and civil society in dialogue and advocacy to strengthen democracy and foster a positive business environment*

*Provide a forum for exchange of ideas and mutual support among members*

## ***Principles of Free Enterprise & Democracy***

### **Economic freedom is an essential source of political freedom as well as a component of individual liberty.**

- Political freedom depends on freedom in economic life and the limitation of political power over the economy.
- Openness, competition, and choice are shared features of a market economy and democracy.
- A market economy allows pluralism to flourish. A competitive private sector provides a counterweight to the state, creates opportunities for citizens, and makes possible a vibrant civil society.

### **Market institutions and the rule of law build foundations for democratic governance.**

- Market institutions and democratic institutions establish shared rules of the game and equality of opportunity.
- A market economy and democracy share values such as fairness, transparency, participation, and accountability.
- The rule of law simultaneously promotes the functioning of a market economy while underpinning free political competition. The rule of law protects the rights of all citizens and guarantees commitments.
- Property rights not only create a framework for prosperity, they place constraints on government action, bolster civil rights, and support the development of democratic institutions.

### **Democracy brings long-run benefits to sustainable growth and human development.**

- Democracy and a market economy have mutually reinforcing effects.
- While democracy possesses intrinsic value as a goal, it is also a means to a better business environment and thus to growth and prosperity.
- Democracy is important to self-realization of individuals and an improved quality of life.
- Democracy provides checks on the abuse of authority and creates channels to improve economic policy through representation and feedback.

### **The private sector plays an essential role in the development of a democratic society.**

- The private sector—from small to large businesses—has rights and responsibilities as a key segment of society.
- Private sector participation in policy discourse provides independent voices of reform, contributes to effective policymaking, and enlarges the constituency for democracy.
- Business has a stake in democracy. The middle class and business organizations often lead the way in demanding freedom and holding government accountable.
- Spreading responsible practices throughout the economy serves to bolster responsibility in the political system.