

MEASURING THE PULSE OF PROSPERITY: AN INDEX OF ECONOMIC FREEDOM ANALYSIS

1.INTRODUCTION

1.1.Overview:

Economic freedom is the fundamental right of every human to control his or her own labor and property. In an economically free society, individuals are free to work, produce, consume, and invest in any way they please. In economically free societies, governments allow labor, capital, and goods to move freely, and refrain from coercion or constraint of liberty beyond the extent necessary to protect and maintain liberty itself.

For much of human history, most individuals have lacked economic freedom and opportunity, condemning them to poverty and deprivation.

Today, we live in the most prosperous time in human history. Poverty, sicknesses, and ignorance are receding throughout the world, due in large part to the advance of economic freedom. In 2022, the principles of economic freedom that have fueled this monumental progress are once again measured in the Index of Economic Freedom, an annual guide published by The Heritage Foundation, Washington's No. 1 think tank.

2.1 Empathy Map

Need some inspiration?

See a finished version of this template to kickstart your work.

[Open example](#)

2.2.Ideation and brainstorming map

2

Brainstorm

Write down any ideas that come to mind that address your problem statement.

🕒 10 minutes

TIP

You can select a sticky note and hit the pencil [switch to sketch] icon to start drawing!



Person 1

security should get the maximum priority		

Person 2

Loan procedures has been collected by various Financial Institution		

Person 3

property documents should be a maximum considerable factor		

Person 4

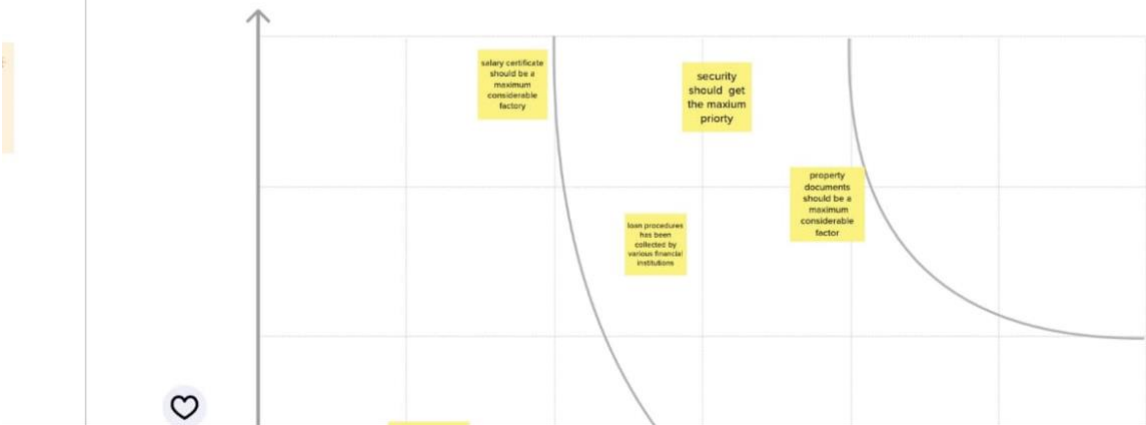
Salary certificate should be a maximum considerable factor		

4

Prioritize

Your team should all be on the same page about what's important moving forward. Place your ideas on this grid to determine which ideas are important and which are feasible.

🕒 20 minutes



3.RESULT

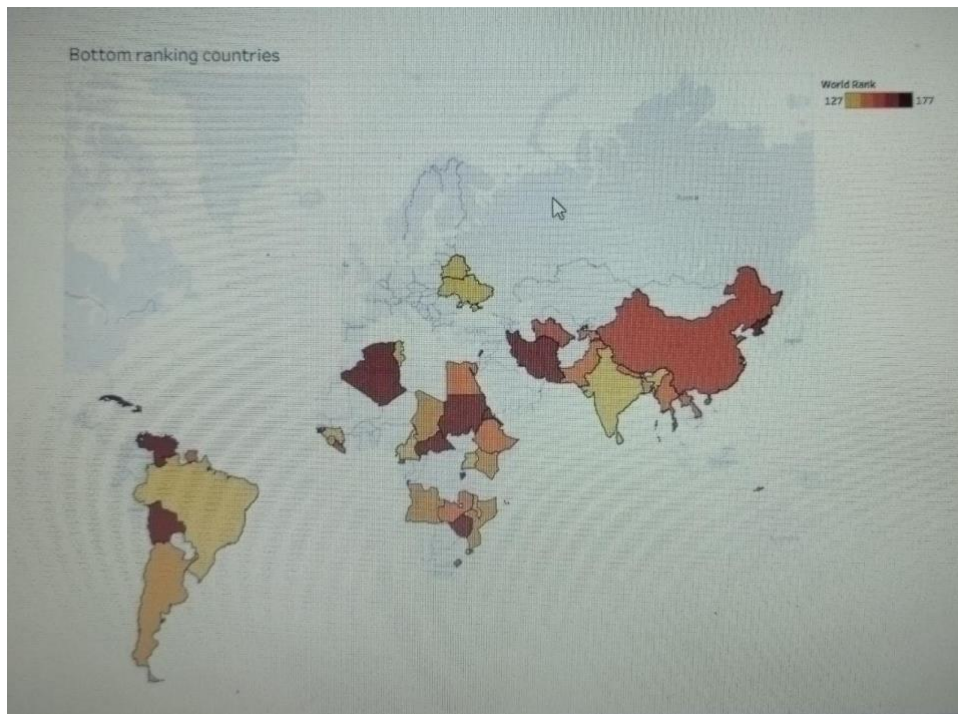
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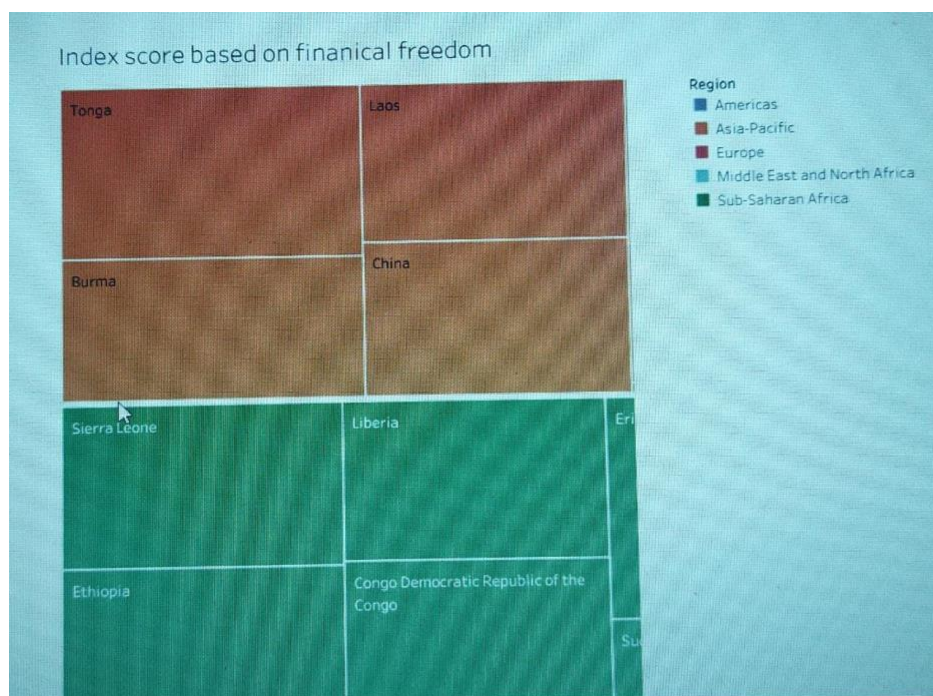
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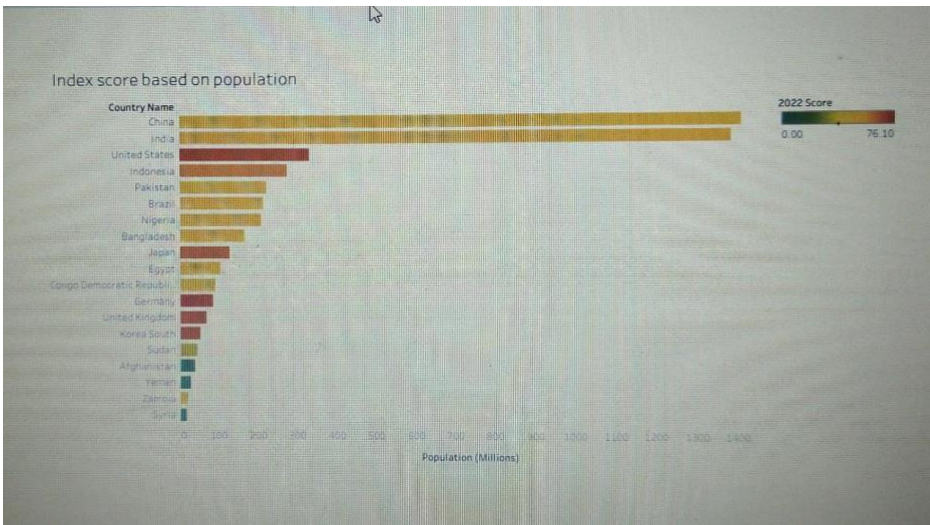
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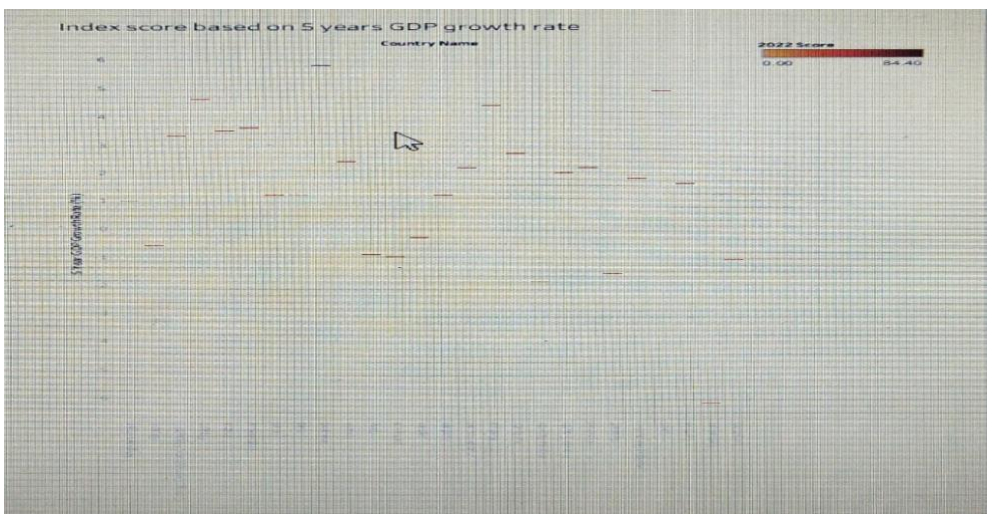
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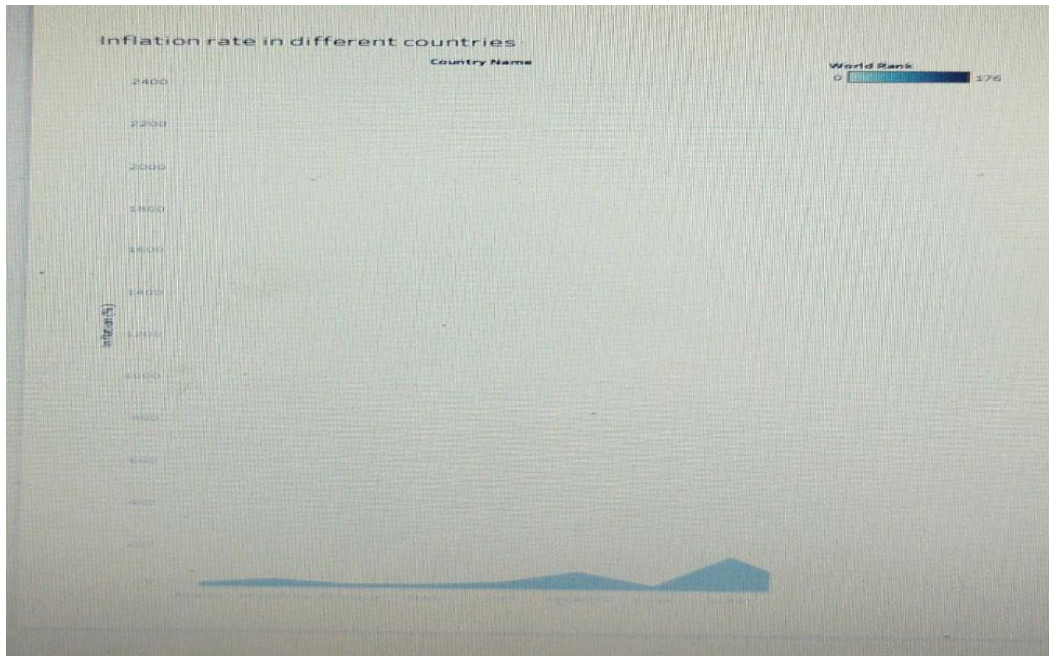
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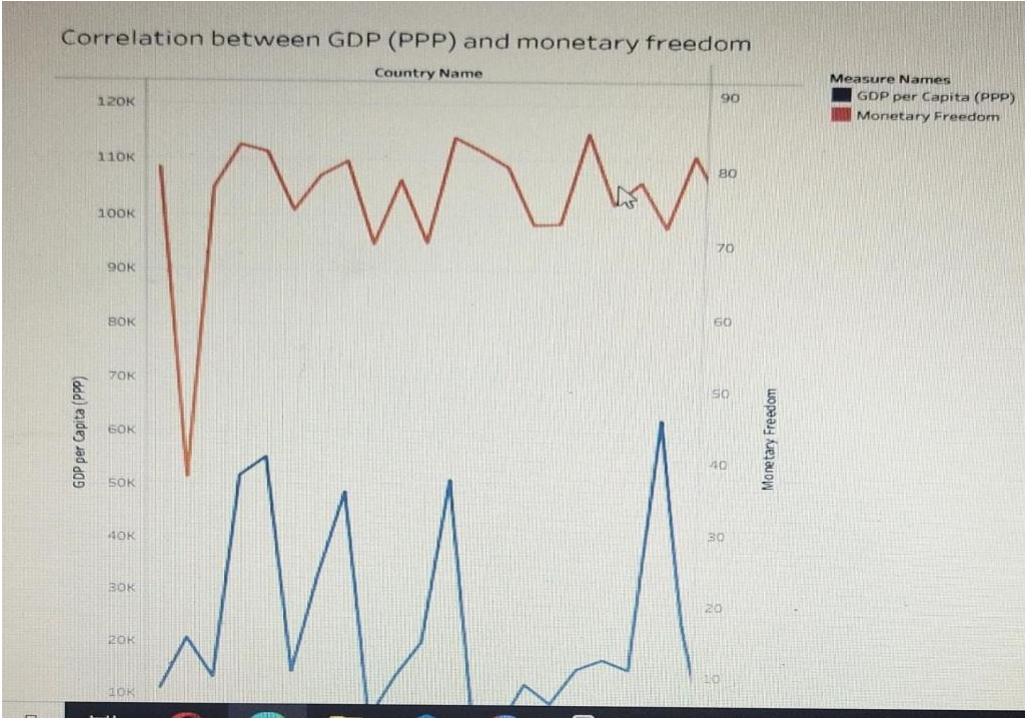
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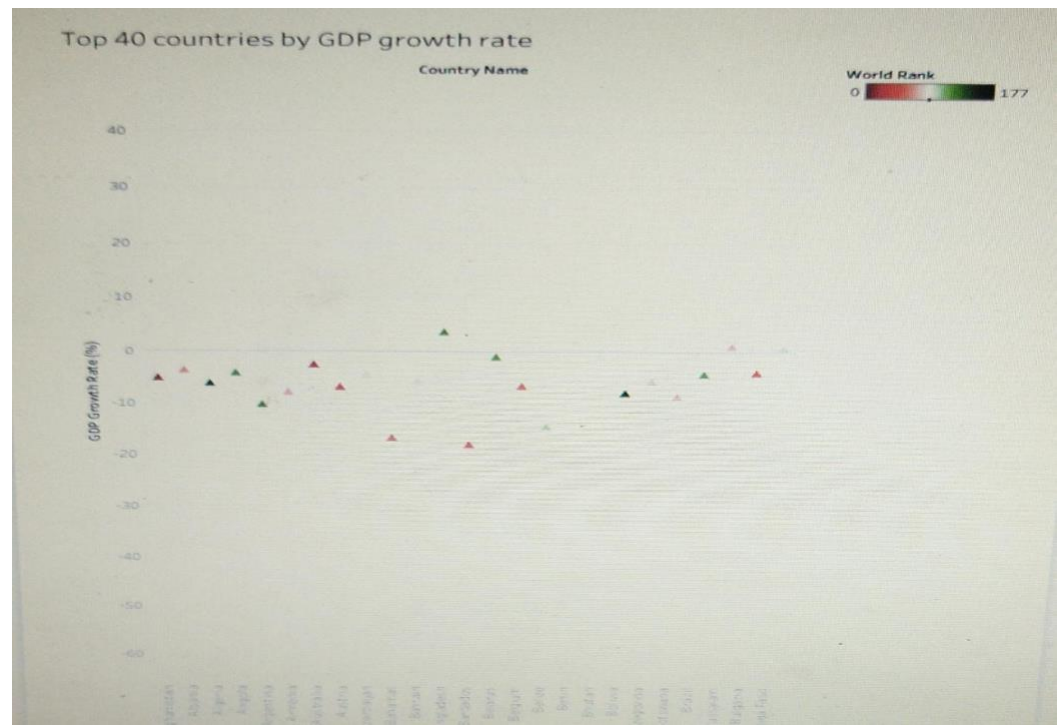
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Sheet 10



Sheet 11



4.Importance of economic freedom

- An index of economic freedom is a composite measure of the quality of political-economic institutions across different jurisdictions.
- Scores and ranks in an index are based on criteria that the creators of the index judge as being relevant, which vary from one index to another.
- These indexes are motivated by the observation that economies that are more free-market based tend to experience greater levels of investment, more rapid growth, and higher average incomes.
- Investors can use the index of economic freedom as a quick way to monitor the changes in economies where they are interested in exposure.
- The Heritage Foundation publishes the most widely-used economic freedom index. However, several institutions publish their own indices.

5.Conclusion

The index of economic freedom is one of several metrics for comparing different economic regimes. Although the Heritage Foundation publishes the most widely-used economic freedom index, there are several institutions that publish their own versions. Each of them seeks to quantify elements such as regulation, taxation, government interference, and price controls, which represent constraints on free enterprise and market activity.

6.Future scope

Economists use many different methods to measure how fast the economy is growing. The most common way to measure the economy is real gross domestic product, or real GDP. GDP is the total value of everything - goods and services - produced in our economy. The word "real" means that the total has been adjusted to remove the effects of inflation.

There are at least three different ways to measure growth of real GDP. It is important to know which is being used, and to understand the differences among them. The three most common ways to measure real GDP are:

- Quarterly growth at an annual rate
- The four-quarter or "year-over-year" growth rate
- The annual average growth rate