## **CAPSTONE PROJECT**

# HUMAN FREEDOM INDEX ANALYSIS

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## **ABSTRACT**

A central purpose of The Human Freedom Index is to paint a broad but reasonably accurate picture of the extent of overall freedom in the world. A larger purpose is to more carefully explore what we mean by freedom and to better understand its relationship to any number of other social and economic phenomena.

#### **DESCRIPTION**

The Human Freedom Index is a report that attempts to summarize the idea of "freedom" through a bunch of different variables for many countries around the globe. It serves as a rough objective measure for the relationships between the different types of freedom - whether it's political, religious, economical or personal freedom - and other social and economic circumstances. The Human Freedom Index is an annually co-published report by the Cato Institute, the Fraser Institute, and the Liberales Institut at the Friedrich Naumann Foundation for Freedom.

It measures economic freedoms such as the freedom to trade or to use sound money, and it captures the degree to which people are free to enjoy the major freedoms often referred to as civil liberties—freedom of speech, religion, association, and assembly— in the countries in the survey. In addition, it includes indicators on rule of law, crime and violence, freedom of movement, and legal discrimination against same-sex relationships. We also include nine variables pertaining to women-specific freedoms that are found in various categories of the index.

## **AIM**

To analyze the dataset and obtain insights, by performing the following:

# 1. Data Preprocessing

Handle missing data.
Obtain overview on data.
Obtain target statistics.

#### 2. Exploratory Data Analysis

Analyze target attribute trends.
Perform attribute analysis.
Obtain correlation among attributes.

# 3. Target Prediction

Predict ef\_score and pf\_score individually. Predict hf score as a whole.

#### **DATASET FORMAT**

It is used as a data frame with 1782 observations on the following 112 whose variables contains information from Human Freedom Index reports from 2008-2018.

### **Parameters**

year: Year

ISO\_code: ISO code of country

countries: Name of country

region: Region where country is located

## **Personal Freedom Measures**

pf\_rol\_procedural: Procedural justice

pf\_rol\_civil: Civil justice

pf\_rol\_criminal: Criminal justice

pf\_rol: Rule of law

pf\_ss\_homicide: Homicide

pf\_ss\_disappearances\_disap: Disappearances

pf ss disappearances violent: Violent conflicts

pf\_ss\_disappearances\_organized: Violent conflicts

pf\_ss\_disappearances\_fatalities: Terrorism fatalities

pf\_ss\_disappearances\_injuries: Terrorism injuries

pf\_ss\_disappearances: Disappearances, conflict, and terrorism

pf\_ss\_women\_fgm: Female genital mutilation

pf\_ss\_women\_missing: Missing women

pf\_ss\_women\_inheritance\_widows: Inheritance rights for widows

pf\_ss\_women\_inheritance\_daughters: Inheritance rights for daughters

pf\_ss\_women\_inheritance: Inheritance

pf\_ss\_women: Women's security

pf\_ss: Security and safety

pf movement domestic: Freedom of domestic movement

```
pf movement foreign: Freedom of foreign movement
pf movement women: Women's movement
pf movement: Freedom of movement
pf religion estop establish: Freedom to establish religious organizations
pf religion estop operate: Freedom to operate religious organizations
pf religion estop: Freedom to establish and operate religious organizations
pf_religion_harassment: Harassment and physical hostilities
pf religion restrictions: Legal and regulatory restrictions
pf religion: Religious freedom
pf_association_association: Freedom of association
pf association assembly: Freedom of assembly
pf association political establish: Freedom to establish political parties
pf association political operate: Freedom to operate political parties
pf association political: Freedom to establish and operate political parties
pf association prof establish: Freedom to establish professional
organizations
pf_association_prof_operate: Freedom to operate professional
organizations
pf association prof: Freedom to establish and operate professional
organizations
pf association sport establish: Freedom to establish educational, sporting,
and cultural organizations
pf_association_sport_operate: Freedom to operate educational, sporting,
and cultural organizations
pf association sport: Freedom to establish and operate educational,
sporting, and cultural organizations
pf association: Freedom to associate and assemble with peaceful
individuals or organizations
pf expression killed: Press killed
pf expression jailed: Press jailed
```

pf expression influence: Laws and regulations that influence media

content

```
pf expression control: Political pressures and controls on media content
pf expression cable: Access to cable/satellite
pf expression newspapers: Access to foreign newspapers
pf_expression_internet: State control over internet access
pf expression: Freedom of expression
pf_identity_legal: Legal gender
pf identity parental marriage: Parental rights in marriage
pf_identity_parental_divorce: Parental rights after divorce
pf identity parental: Parental rights
pf_identity_sex_male: Male-to-male relationships
pf identity sex female: Female-to-female relationships
pf identity sex: Same-sex relationships
pf identity divorce: Divor
pf_identity: Identity and relationships
pf score: Personal Freedom (score)
pf_rank: Personal Freedom (rank)
Economic Freedom Measures
ef government consumption: Government consumption
ef government transfers: Transfers and subsidies
ef_government_enterprises: Government enterprises and investments
ef government tax income: Top marginal income tax rate - Top marginal
income tax rates
ef government tax payroll: Top marginal income tax rate - Top marginal
income and payroll tax rate
ef_government_tax: Top marginal tax rate
ef_government: Size of government
ef_legal_judicial: Judicial independence
ef_legal_courts: Impartial courts
```

```
ef legal protection: Protection of property rights
ef legal military: Military interference in rule of law and politics
ef_legal_integrity: Integrity of the legal system
ef legal enforcement: Legal enforcement of contracts
ef_legal_restrictions: Regulatory restrictions on the sale of real property
ef_legal_police: Reliability of police
ef legal crime: Business costs of crime
ef_legal_gender: Gender adjustment
ef_legal: Legal system and property rights
ef_money_growth: Money growth
ef money sd: Standard deviation of inflation
ef_money_inflation: Inflation - most recent year
ef money currency: Freedom to own foreign currency bank account
ef_money: Sound money
ef trade tariffs revenue: Tariffs - Revenue from trade taxes (percentage of
trade sector)
ef trade tariffs mean: Tariffs - Mean tariff rate
ef trade tariffs sd: Tariffs - Standard deviation of tariffs rates
ef_trade_tariffs: Tariffs
ef trade regulatory nontariff: Regulatory trade barriers - Nontariff trade
barriers
ef trade regulatory compliance: Regulatory trade barriers - Compliance
costs of importing and exporting
ef_trade_regulatory: Regulatory trade barriers
ef trade black: Black-market exchange rates
ef trade movement foreign: Controls of the movement of capital and
people - Foreign ownership/investment restrictions
ef trade movement capital: Controls of the movement of capital and
people - Capital controls
```

- ef\_trade\_movement\_visit: Controls of the movement of capital and people Freedom of foreigners to visit
- ef\_trade\_movement: Controls of the movement of capital and people
- ef\_trade: Freedom to trade internationally
- ef\_regulation\_credit\_ownership: Credit market regulations Ownership of banks
- ef\_regulation\_credit\_private: Credit market regulations Private sector credit
- ef\_regulation\_credit\_interest: Credit market regulations Interest rate controls/negative real interest rates
- ef\_regulation\_credit: Credit market regulation
- ef\_regulation\_labor\_minwage: Labor market regulations Hiring regulations and minimum wage
- ef\_regulation\_labor\_firing: Labor market regulations Hiring and firing regulations
- ef\_regulation\_labor\_bargain: Labor market regulations Centralized collective bargaining
- ef\_regulation\_labor\_hours: Labor market regulations Hours regulations
- ef\_regulation\_labor\_dismissal: Labor market regulations Dismissal regulations
- ef regulation labor conscription: Labor market regulations Conscription
- ef\_regulation\_labor: Labor market regulation
- ef\_regulation\_business\_adm: Business regulations Administrative requirements
- ef\_regulation\_business\_bureaucracy: Business regulations Bureaucracy costs
- ef\_regulation\_business\_start: Business regulations Starting a business
- ef\_regulation\_business\_bribes: Business regulations Extra payments/bribes/favoritism
- ef\_regulation\_business\_licensing: Business regulations Licensing restrictions
- f\_regulation\_business\_compliance: Business regulations Cost of tax compliance

ef regulation business: Business regulation

ef\_regulation: Economic freedom regulation score

ef\_score: Economic freedom score

ef\_rank: Economic freedom rank

## **Economic Freedom Measures**

hf score: Human freedom score

hf\_rank: Human freedom rank

hf\_quartile: Human freedom quartile

## **PRECICTION RESULT**

# Personal Freedom (pf\_score)

# 1. Equation

```
pf score
                7.129408942621376
                                         -0.007255149406461302
                       0.0002955638957091722 *
                                                     pf rol civil
pf rol procedural +
0.005209719261992496 * pf rol criminal + 0.382931455169134 * pf rol +
                       pf ss homicide +
0.25137151654845186 *
                                           0.003326007791153495
pf ss disappearances disap
                                        0.005952011517736703
                                +
pf ss disappearances violent
                                       -0.0012183668448219173
pf ss disappearances organized
                                         0.004767384116985554
pf ss disappearances fatalities
                                      -0.0068681453448048045
pf_ss_disappearances_injuries
                                         0.15493229219833393
pf ss disappearances + -0.0027748796266747863 * pf ss women fgm +
0.00946500794365305 * pf ss women inheritance + 0.210243546208765 *
pf_ss_women + -0.03455706312420085 * pf_ss + -0.015026952940778325 *
pf movement domestic + -0.013086835538987136 * pf movement foreign
+ -0.010254961561143344 * pf movement women + 0.2949880264725114 *
                   0.0680980281099157 *
pf movement
              +
                                             pf religion freedom
0.045086502122578365 * pf_religion_repression + 0.02653651281144464 *
pf_religion_harassment + 0.04102247517854747 * pf_religion_restrictions +
0.0006374587042142295 *
                            pf religion + 0.0338376400405121
pf association entry + 0.032379428344077366 * pf association assembly +
0.022030950869279198 * pf association barries + 0.016221723058418045 *
pf association bans
                                    -0.02304052187294522
pf association estopparties
                                       0.025755149483222363
pf association opposition
                                       0.023778371217253222
pf association civilrepression + 0.10392755072523727 * pf association +
-0.004644678164586119 * pf_expression_killed + -0.005230236385152031 *
pf expression jailed + -0.0005644839416751729 * pf expression media +
-0.00464039137257586 * pf_expression_cable + -0.008564466178896439
pf_expression_newspapers
                                    -0.0005182000407370074
                              +
pf expression control + 0.15866459246904413
                                                   pf expression
0.0019597322221376577 * pf_identity_legal + -0.017073703639585498 *
pf\_identity\_sex\_male + -0.02038100811513495 * pf\_identity\_sex\_female + \\
0.02604635205555885 * pf_identity_sex + -0.002277772965110003
pf identity divorce + 0.33569575249161726 * pf identity
```

## 2. Accuracy

Test accuracy: 0.9951499893591607 Train accuracy: 0.9994104791381124

# **Economic Freedom (ef\_score)**

## 1. Equation

```
ef score
                 6.814418537708693
                                            0.0745501393791682
                                        0.06879700284066334
ef_government_consumption
ef_government_transfers
                                        0.10659615045431406
ef_government_enterprises
                                       0.004360108595840399
ef government tax income
                                       0.0037125053758116635
ef government tax payroll + 0.07338995690339192 * ef government tax +
0.0647894722709737 * ef government soa + 0.049883644140770525
                     -0.005526458137395012
                                                 ef legal judicial
ef government
                          ef legal courts + 0.008727915397343314
0.0005991787709741583 *
                       0.00357928801186308
                                                 ef legal military
ef legal protection
0.00599607528479211 *
                        ef legal integrity + 0.0008914852111922833
ef legal enforcement + 0.00897133099270566 * ef legal regulatory +
5.662039906395577e-05 *
                          ef legal police + 0.0011117640731656137
ef_legal_gender + 0.2748522967180098 * ef_legal + 0.02289085513362564 *
                        0.02735591447402145
ef money growth
                                                   ef money sd
0.01828433903001757
                        ef money inflation + 0.059899666333888
ef money currency
                          0.19521736680587398
                                                      ef money
0.001337491166069446 * ef trade tariffs revenue + -0.01670028206123033
* ef trade tariffs mean + -0.0027541145956942598 * ef trade tariffs sd +
0.01325343791247606 *
                        ef trade tariffs + 0.0017671425051777115
ef trade regulatory nontariff
                                        0.008680753993214017
                                       -0.0035674089273920045
ef trade regulatory compliance
                        0.00961756534079386
ef trade regulatory +
                                                  ef trade black
0.013679693022429999
                                  ef trade movement foreign
0.008701216189719446
                                  ef trade movement capital
0.018028891746694538 * ef trade movement visit + -0.02471971156648184
                             0.25710489933298575
   ef trade movement
                                                        ef trade
-0.0039518031172424105
                                ef regulation credit ownership
0.0007578292182124011
                                   ef_regulation_credit_private
-0.001681755531927745
                                  ef regulation credit interest
0.09394667357243718 * ef regulation credit + -0.006317302171455479
ef regulation labor minwage
                                       -0.0032763777489415533
ef regulation labor firing
                                       -0.003572139557049374
ef regulation labor bargain
                                        -0.005708150576785115
ef regulation labor hours
                                      -0.0047827104569097625
ef regulation labor dismissal
                                        -0.008472339192726996
ef regulation labor conscription
                                          0.11065253629474939
ef regulation labor
                                     0.005349976186874911
                                        0.011345497508073309
ef regulation business adm
ef regulation business bureaucracy
                                         0.0001728144886454855
ef regulation business start
                                         0.01249485213050723
ef regulation business bribes
                                       0.0028517479592059802
ef regulation business licensing
                                         0.010002657305286627
                                           0.04535608191864842
ef regulation business compliance
ef regulation business + 0.007905525156770878 * ef regulation
```

## 2. Accuracy

Test accuracy: 0.9969495386339511 Train accuracy: 0.9974176438214803

# **Human Freedom (hf score)**

## 1. Equation

```
hf score
              6.9742940894262135
                                       -0.00026598449756073034
                       -0.0008744946900850203
pf rol procedural
                  +
                                                      pf rol civil
-0.003186077053356877 * pf rol criminal + 0.19693595782220027 * pf rol +
                       pf ss homicide +
0.0948627211373588
                                           0.008481639909653352
pf ss disappearances disap
                                       0.005323680093914568
pf ss disappearances violent
                                        0.006649449355567036
pf ss disappearances organized
                                         0.006395598383411433
pf ss disappearances fatalities
                                        0.0004577243492539518
pf ss disappearances injuries
                                        0.03932757503882203
pf ss disappearances + 0.004907474574137408 * pf ss women fgm
0.004289678333505534
                                    pf ss women inheritance
0.07873679190542815 * pf_ss_women + 0.028310868758627674 * pf_ss +
                                     pf movement domestic
-0.009254599368581553
-0.010134187885665441 * pf_movement_foreign + -0.01076943479991509 *
pf movement women + 0.15462228783453602
                                                   pf movement
0.051965197756651337 * pf religion freedom + 0.04027771037435354
pf religion repression + 0.019975126715231203 * pf religion harassment +
0.03723365566046459 * pf religion restrictions + -0.054879142680499135 *
pf religion
                 0.028337665237230563
                                            pf association entry
0.020554101100198535 * pf association assembly + 0.022255131374033572
* pf association barries + 0.008712158407897616 * pf association bans +
-0.010791583748899464
                                   pf association estopparties
0.012899648357766497
                                    pf association opposition
0.007221957208895773
                                 pf association civilrepression
0.028242209399054793 * pf_association + -0.0051527535769166286
pf expression killed + -0.004154390874390523 * pf_expression_jailed +
-0.005228222709007156 * pf expression media + -0.008014898792049918
       pf expression cable
                                       -0.007396691260965184
pf_expression_newspapers
                                      0.0015395367047967203
                                                   pf expression
pf expression control
                          0.09286484793956926
0.0032613319963867987 *
                         pf identity legal + -0.01066835143941984
pf identity sex male + -0.009513744766018725 * pf identity sex female +
0.020732236580542344 *
                         pf identity sex + -0.0021823701339263243
pf identity divorce
                          0.16764007153699356
                                                     pf identity
0.03276748359825424
                                 ef government consumption
0.027186967485321553
                                    ef government transfers
0.045593522323067404
                                   ef government enterprises
-0.0015995791657716068
                                   ef government_tax_income
-0.006030249651733256
                                   ef government tax payroll
                       ef_government_tax + 0.026390540137667166
0.04194224497169666 *
ef government soa
                        0.04025996182468535
                                                  ef government
-0.0028421147594924305 * ef legal judicial + 0.0021127870744413677
ef legal courts + 0.0022546773802094994 * ef_legal_protection
-0.0031407189606307145 * ef legal military + 0.0066858961408611806 *
ef legal integrity + 0.002370681315695594 * ef_legal_enforcement +
0.0023827533385085836 * ef_legal_regulatory + 0.0006680177096235109 *
```

ef legal police 0.0031295475863592423 ef legal gender 0.1329986378749644 0.0061148506560100395 ef legal ef money growth 0.008304890040319583 ef money sd 0.00591432215813922 ef money inflation + 0.01896400642275764 0.11486699278525217 ef money currency ef money -0.0006032524022203598 ef trade tariffs revenue -0.01145787558506517 \* ef trade tariffs mean + -0.0034648292720933452 ef trade tariffs sd 0.016850441726947066 \* ef trade tariffs 0.005348489116156863 ef trade regulatory nontariff 0.0032762542606615055 ef trade regulatory compliance 0.011473158855255263 \* ef trade regulatory + 0.01765441712366607 ef trade black + 0.009319916516663793 \* ef trade movement foreign 0.013163556792012095 ef trade movement capital 0.019745850124738874 ef trade movement visit -0.013105072160276468 \* ef trade movement + 0.08737109326749837 ef trade + 0.0014877953217948478 \* ef regulation credit ownership ef regulation credit private 0.003909556709974624 0.0003953443026343609 ef regulation credit interest 0.04533589728095827 \* ef regulation credit + -0.0029550234253723703 ef regulation labor minwage 0.00020273331275916934 ef regulation labor firing -0.0021758903368086883 ef regulation labor bargain -0.003097014091733026 ef regulation labor hours -0.0018248826738213896 ef regulation labor dismissal -0.002480906070877996 ef regulation labor conscription 0.055487327996431704 ef regulation labor 0.002442877136639744 ef regulation business adm 0.0022657637571488476 ef regulation business bureaucracy 0.001303451831379393 ef regulation business start 0.007179532110015804 ef regulation business bribes -0.0001919272936655031 ef regulation business licensing -0.0006604856915633159 ef regulation business compliance 0.034209333759497716 ef regulation business + 0.002080359700870678 \* ef regulation

# 2. Accuracy

Test accuracy: 0.9969495386339511 Train accuracy: 0.9974176438214803

# SOURCES

## 1. Dataset

Schneider, G. S. (2021, January 1). The human freedom index. Kaggle. https://www.kaggle.com/gsutters/the-human-freedom-index? select=hfi\_cc\_2020.csv.

# 2.World Bank Economic Review

Datat Sets. hfi. OpenIntro. https://www.openintro.org/data/index.php?data=hfi

## 3.Journal

Ian Vásquez and Fred McMahon, The Human Freedom Index 2020: A Global Measurement of Personal, Civil, and Economic Freedom (Washington: Cato Institute and the Fraser Institute, 2020).