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MEASURING THE PULSE OF PROSPERITY: AN INDEX OF ECONOMIC FREEDOM

**LONG TERM VIRTUAL INTERNSHIP PROJECT
2024**

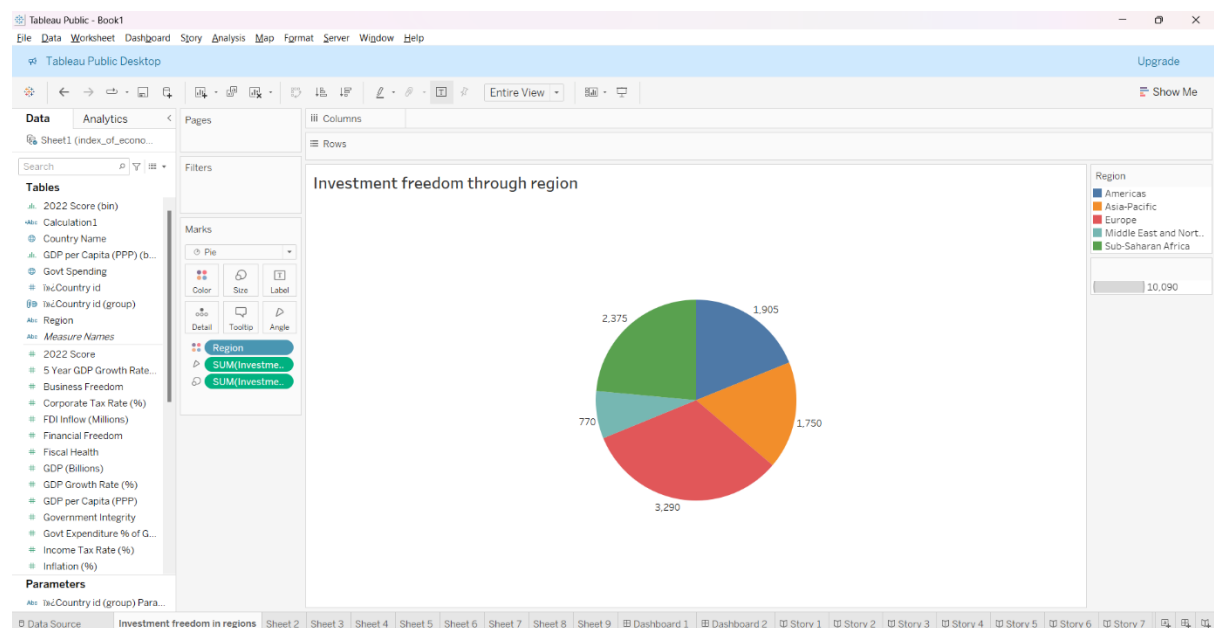
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Measuring the pulse of prosperity: An index of Economic Freedom

INTERDUCTION

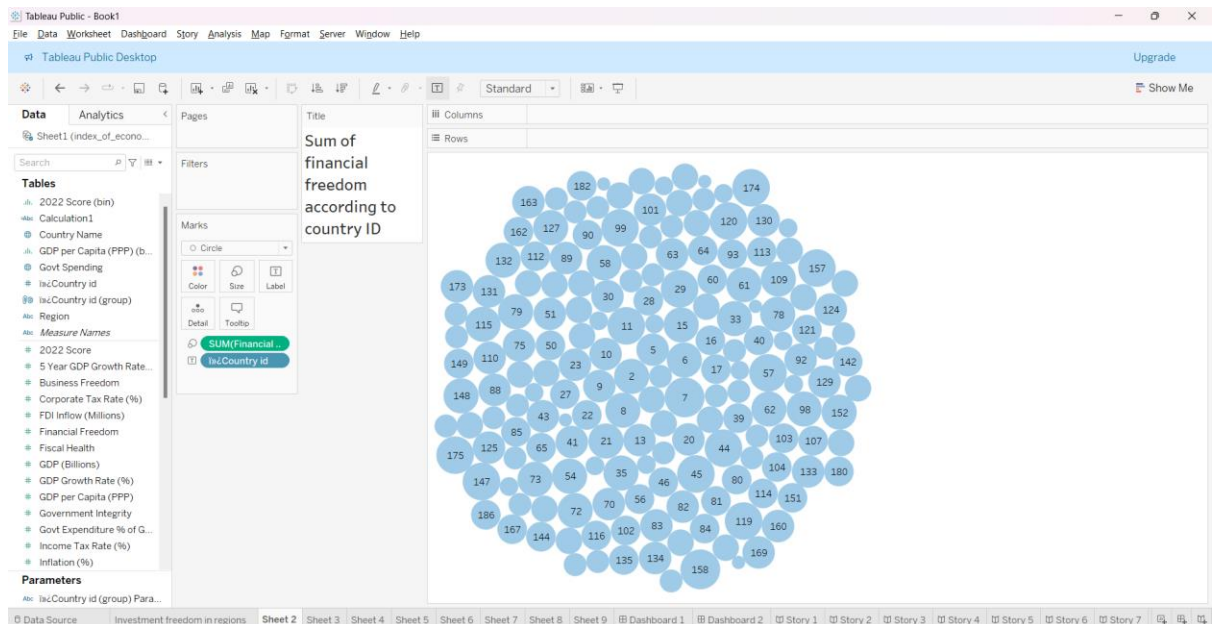
Investment freedom refers to the ability of individuals and businesses to invest their capital in a country without excessive restrictions. This includes the freedom to move capital in and out of the country, invest in a variety of asset classes, and repatriate profits.



1.SUM OF FINANCIAL FREEDOM ACCORDING TO THE COUNTRY ID

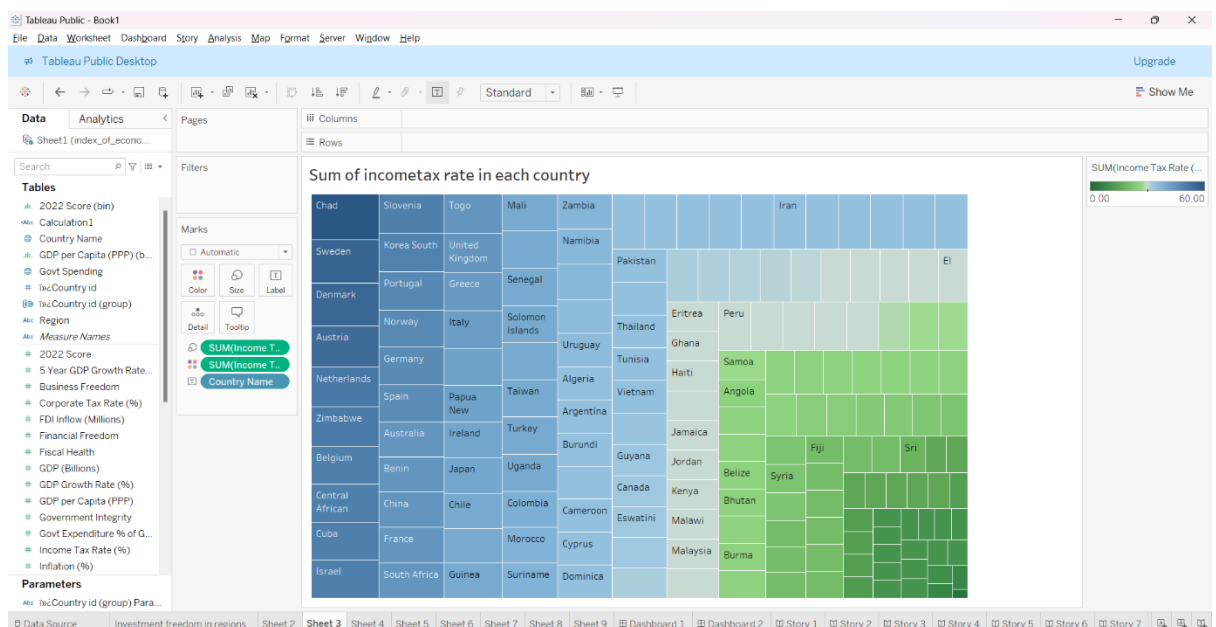
Unfortunately, there isn't a universally accepted single metric that directly translates to a "financial freedom sum" based on country ID. Financial freedom is a personal concept heavily influenced by individual goals and lifestyle desires. Here's why a simple sum wouldn't work:

- **Cost of Living Variations:** The amount needed for financial freedom in, say, New York City, would be much higher than a smaller town in Thailand. A single "sum" wouldn't reflect these regional differences.
- **Individual Aspirations:** Some may define financial freedom as just covering basic needs, while others aim for complete work freedom with luxurious lifestyles. A single number can't capture these personal variations.



2.SUM OF INCOMETAX RATE IN EACH COUNTRY

- **Progressive Tax Systems:** Most countries use progressive income tax, where tax rates increase with income level. A single "sum" wouldn't reflect this structure.
- **Multiple Taxes:** Income tax might be combined with social security contributions or other levies, making a single number meaningless.
- **Regional Variations:** In some countries, federal and regional tax rates differ, creating additional complexity. expand more



3.LABOUR FREEDOM IN DIFFERENT REGIONS

Labour freedom varies significantly across different regions. Here's a breakdown of some key regions:

Developed Regions (North America, Western Europe):

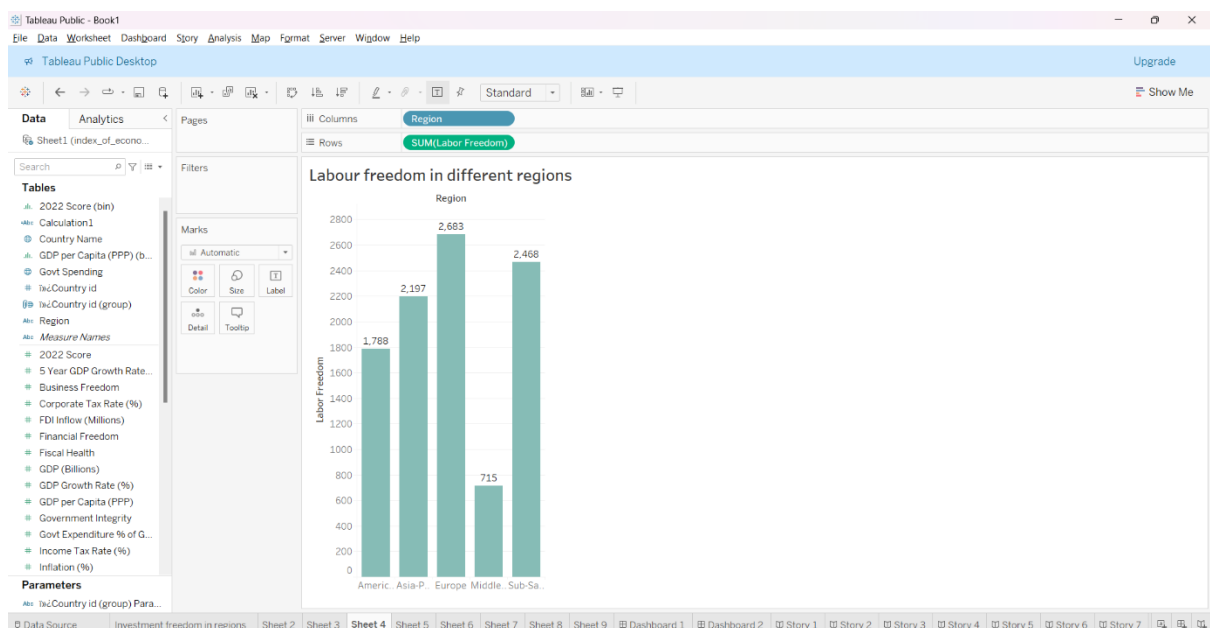
- Generally high labour freedom: Strong worker rights, established minimum wages, and freedom to join unions.
- Examples:
 - North America: Regulations ensure fair working conditions, overtime pay, and protection against discrimination.
 - Western Europe: Similar protections exist, with some countries offering generous social safety nets and parental leave.

Developing Regions (Latin America, Asia, Africa):

- Labour freedom varies considerably: Can range from strong protections to limited rights and exploitation, particularly in informal sectors.
- Concerns:
 - Unequal bargaining power for workers, especially in low-wage industries.
 - Child labour can be an issue in some countries.
- Improvements:
 - Many developing countries are working towards better labour standards.
 - International organizations promote fair labour practices through trade agreements.

Transitioning Economies (Eastern Europe, Central Asia):

- Evolving landscape: Some countries have adopted strong labour protections, while others are still transitioning from centrally planned economies.
- Challenges:
 - Legacy issues from previous systems might limit worker freedoms.
 - Informal work can be significant in some countries.



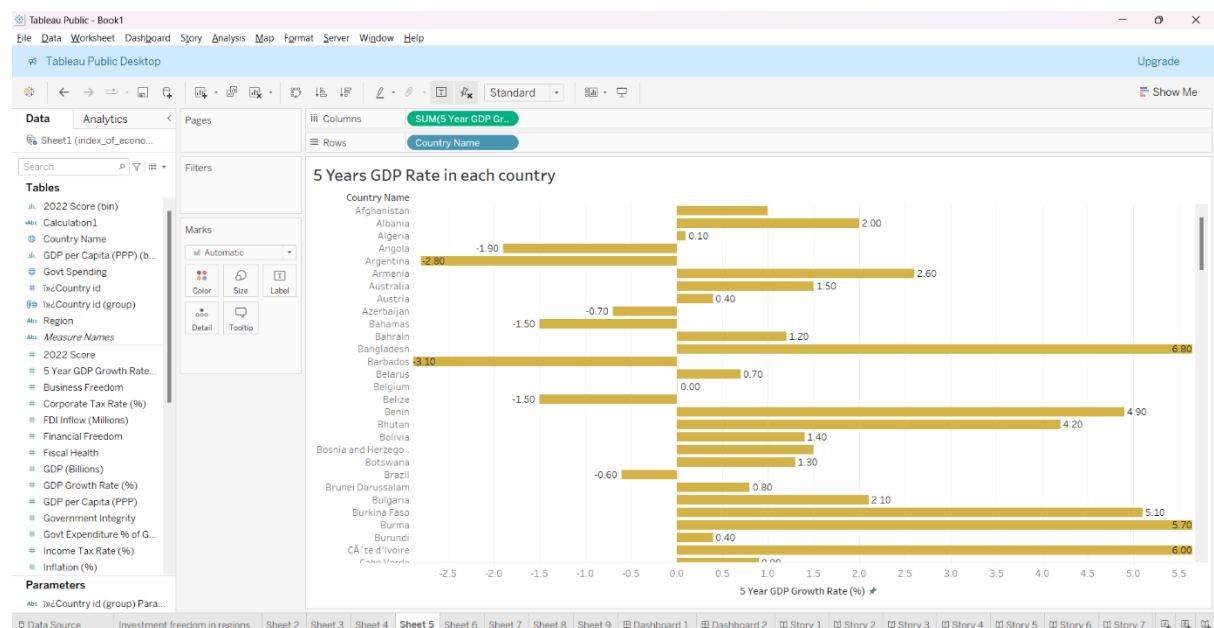
5.FIVE YEARS GDP RATE IN EACH COUNTRY

- Many countries have their own central bank or national statistics office websites that publish economic data, including GDP growth rates.
- You can search for the specific country's statistics office website to see if they have historical GDP data available.

Here are some additional points to keep in mind:

- GDP growth rates can be revised as new data becomes available.
- Not all countries report data consistently or with the same level of accuracy.

Remember: While these resources can help you find GDP growth rate data, it might require some effort to compile information for all the countries you're interested in.



6.CORRELATION BETWEEN GDP(PPP) AND MONETARY FREEDOM

here are studies that suggest a positive correlation between GDP (PPP) and monetary freedom. This means that countries with higher levels of monetary freedom tend to also have higher GDP (PPP).

Here's a breakdown of the relationship:

- **Monetary Freedom:** This refers to the ability of individuals and businesses to freely conduct financial transactions. This includes freedom to move capital, make investments, and choose financial products with minimal government restrictions.
- **GDP (PPP):** Gross Domestic Product (PPP) adjusted for Purchasing Power Parity represents the total value of goods and services produced in a country, considering their purchasing power within the country.

Why might there be a correlation?

- **Increased Investment and Innovation:** Monetary freedom allows for easier access to capital and financial resources. This can encourage investment, innovation, and entrepreneurial activity, ultimately boosting economic growth.
- **Efficient Allocation of Resources:** When individuals and businesses have more freedom to make financial decisions, resources are likely to be allocated more efficiently in the economy.
- **Financial Stability:** Monetary freedom can incentivize responsible financial behavior and attract foreign investment, contributing to a more stable and predictable financial environment.

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