

Measuring the pulse of prosperity: An Index of Economic Freedom Analysis

9.2 Disadvantages

1. Data Limitations

- Incomplete or outdated data: Some countries may have missing or inconsistent economic freedom or tech stock data.
- Data accuracy issues: Economic indicators and stock market data can be prone to reporting errors or revisions.
- Limited historical coverage: Older datasets may not be available for all countries, affecting long-term trend analysis.

2. Analytical Constraints

- Correlation does not imply causation: A strong correlation between economic freedom and tech stock growth may not indicate a direct causal link.
- Oversimplification: Reducing complex economic systems to an index score may overlook local factors like political instability, cultural influences, or natural resources.
- Sector-specific bias: Focusing only on technology stocks ignores other sectors that may behave differently under similar economic freedom conditions.

3. Technical Limitations

- System performance issues: Large datasets or multiple users accessing dashboards simultaneously may slow the system.
- Dependency on APIs: Real-time stock tracking depends on external APIs, which may experience downtime or changes in structure.
- High maintenance: Updating data, dashboards, and calculations regularly requires technical expertise.