

Measuring the Pulse of Prosperity: An Index of Economic Freedom Analysis

DATE	28-02-2026
TEAM ID	LTVIP2026TMIDS89054
PROJECT NAME	Measuring the Pulse of Prosperity: An Index of Economic Freedom Analysis
MAXIMUM MARKS	2 MARKS

Chapter – 2 Indentation Phase

2.1 Problem Statement

Economic freedom is widely regarded as a key driver of prosperity, investment, innovation, and overall economic growth. Countries with higher levels of economic freedom—characterized by secure property rights, limited government intervention, regulatory efficiency, open markets, and sound monetary policies—often demonstrate higher income levels and improved living standards.

However, the relationship between economic freedom and prosperity is complex and varies across regions and income groups.

- Despite numerous global indices measuring economic freedom, there remains uncertainty about:
- The strength and consistency of the relationship between economic freedom and economic prosperity.
- Which components of economic freedom have the greatest impact on growth and development.
- Whether increases in economic freedom lead directly to improved living standards or if other socio-political factors mediate this relationship.

Additionally, some countries with moderate levels of economic freedom have experienced significant economic growth, while others with high economic freedom have faced stagnation. This raises important questions about causality, policy effectiveness, and contextual influences.

Freedom and prosperity by analyzing relevant economic indicators across selected.