

ECONOMIC FREEDOM INDEX

SUBMITTED BY:

RAM MOHAN U(22/023)

RISHABH JAIN(22/025)

ASAD RAZA KHAN(22/071)

INTRODUCTION

- ▮ Since 1995, the **Heritage Foundation** and the **Wall Street Journal** have annually reported the **Economic Freedom Index**
- ▮ Officially, it is defined as the "absence of government coercion or constraint on the production, distribution, or consumption of goods and services beyond the extent necessary for citizens to protect and maintain liberty itself
- ▮ In other words, "people are free to work, produce, consume, and invest in the ways they feel are most productive"

- ▢ This index estimates the extent to which the government of a country intervenes with the principles of free choice and free enterprise for reasons that go beyond the basic need to protect property, liberty, citizen safety, and market efficiency.
- ▢ Practically, this survey rates countries in terms of 50 independent indicators that are organized into the 10 dimensions

DIMENSIONS OF ECONOMIC FREEDOM INDEX

RULE OF LAW

PROPERTY RIGHTS

An assessment of the ability of individuals to accumulate private property secured by clear laws that are fully enforced by the state

FREEDOM FROM CORRUPTION

The application of quantitative data that assess the perception of corruption in the business environment, including levels of government, legal, judicial, and administrative corruption

REGULATORY EFFICIENCY

BUSINESS FREEDOM

The ability to create, operate, and close an enterprise quickly and easily. Burdensome, redundant regulatory rules are the most harmful barriers to business freedom

MONETARY FREEDOM

Combination measure of price stability and assessment of price controls. Both inflation and price controls distort market activity. Price stability without micro-economic intervention is the ideal state for the free market

LABOR FREEDOM

A composite measure of the ability of workers and businesses to interact without restriction by the state