

# AN INDEX OF ECONOMIC FREEDOM ANALYSIS

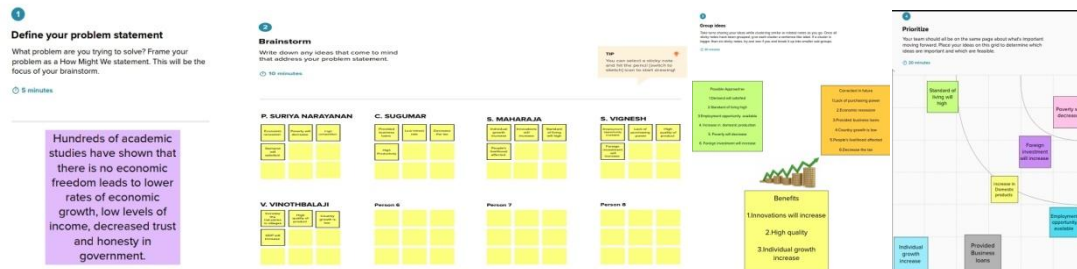
## INTRODUCTION

The Index of Economic Freedom is an annual index published and created by **The Heritage Foundation** and **The Wall Street Journal** to measure the economic freedom of the nations around the world. An index of economic freedom compares the jurisdictions against each other for various aspects, such as trade freedom, judicial effectiveness and tax burden. The Index measures the degree of economic freedom with an approach inspired by Adam Smith's Theory. Now we see the details related to this topic.

## PROBLEM DEFINITION & DESIGN THINKING



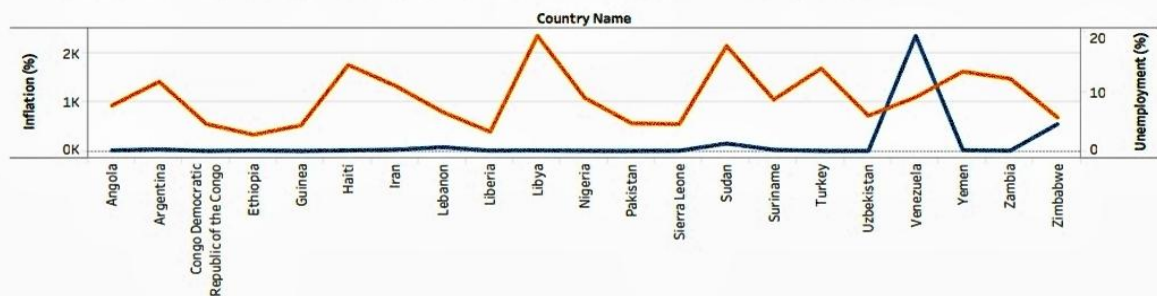
This Empathy map shows our Ideas, Thought, Pain, Gain, etc., about the Economic Freedom



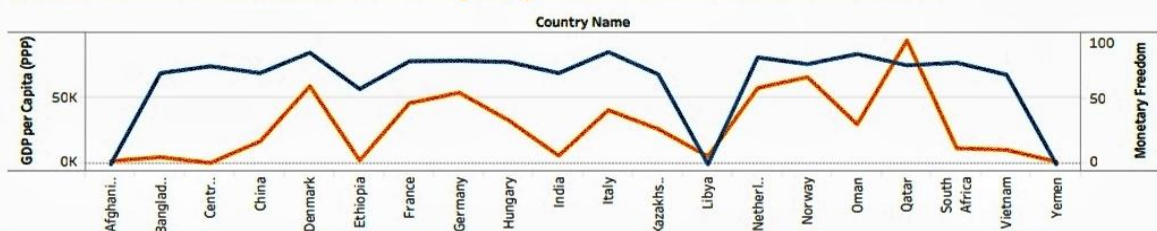
✓ This is a Brainstorm & Idea Prioritization.

## RESULT

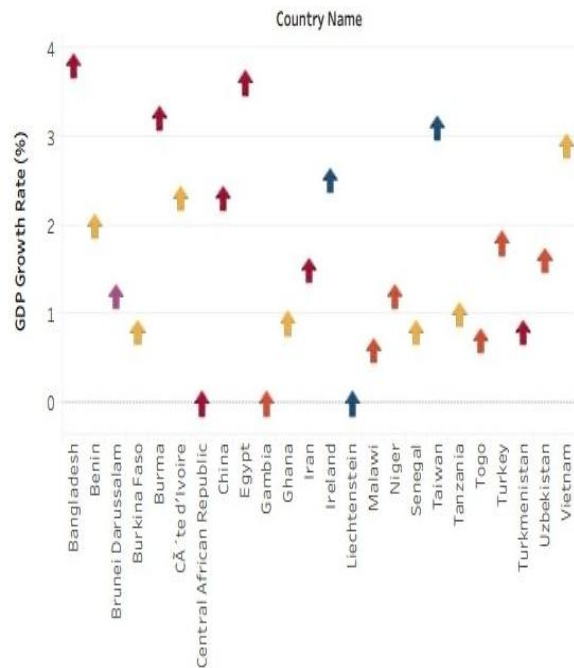
### CORRELATION BETWEEN INFLATION AND UNEMPLOYMENT



### CORRELATION BETWEEN GDP(PPP) AND MONETARY FREEDOM

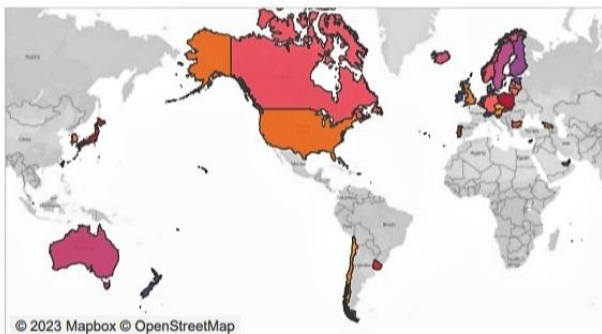


Inflation was controlled by the Central Bank of that particular countries. For example : **In India RBI controls the Inflation rates through the Monetary Policy**

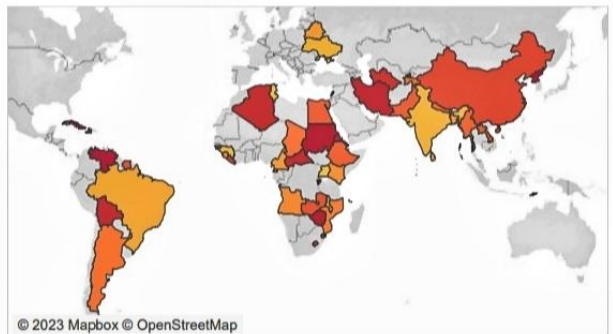


GDP(Gross Domestic Product) growth rate is very important for the countries. The Governments of the each countries try to increase their country's GDP rate. It shows that the development of the particular country.

### TOP 40 RANKING COUNTRIES IN THE INDEX

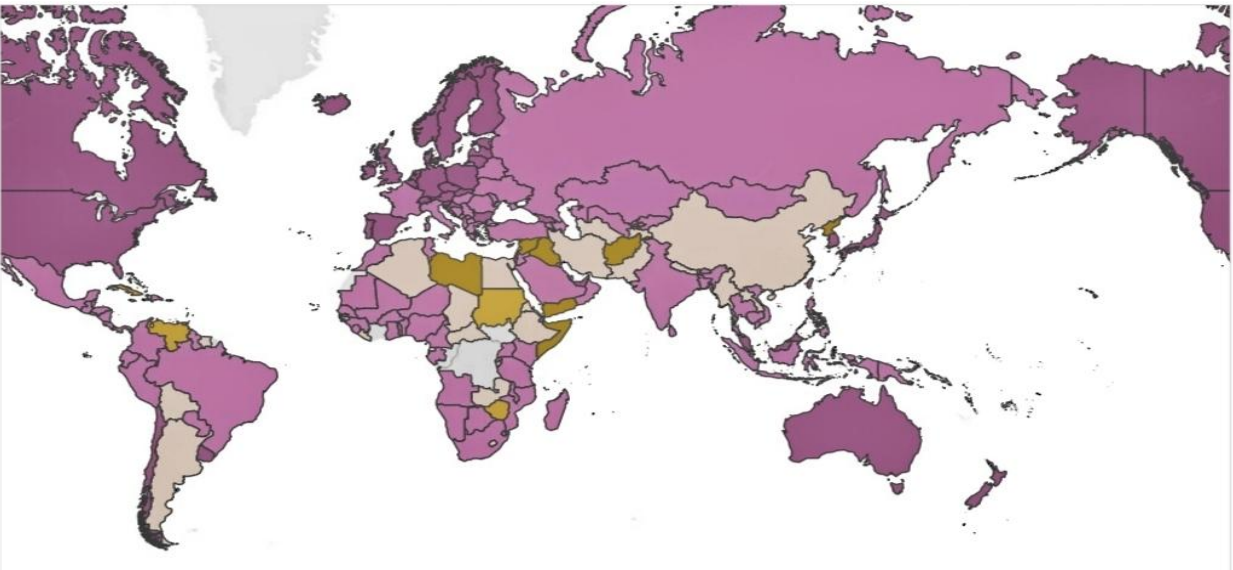


### BOTTOM RANKING COUNTRIES BY INDEX



On March 23, 2020 the Index of Economic Freedom 2020 was released where **India was ranked 120<sup>th</sup> out of 186 countries.**

### 2022 ECONOMIC FREEDOM SCORE



### ADVANTAGES OF ECONOMIC FREEDOM

- Not only did this lead to the rise of the middle class, it also spurred innovations in health care, education, and other so-called social goods.
- A market economy **promotes free competition** among market participants.
- Some of the positive impacts include an **increase in wealth\reduction in poverty, improved standards of living, health, education and infrastructure and technology.**
- Economic growth helps to **reduce government borrowing.** Economic growth also plays a role in reducing debt to GDP ratios.

- The benefits of economic freedom include **increased efficiency, production, and innovation.**
- In an economically free society, individuals are free to work, produce, consume, and invest in any way.

## **DISADVANTAGES OF ECONOMIC FREEDOM**

- The disadvantages of a market economy include **monopolies, no government intervention, poor working conditions, and unemployment.**
- It creates a **limited product range, unemployment and inequality.**
- It creates the **poor quality** of the products.
- Lack of purchasing power and people's livelihood affected.
- Because of this the **poverty will increase** in the country.

## **APPLICATION**

**Economic freedom is the fundamental right** of every human to control his or her own labour and property. Generally, countries with higher economic freedom have higher gross domestic product per capita and its growth rates, as well as better health care, education quality, environment protection, income equality, and happiness results.

In an economic democracy, each person has the right to participate in decision making which provides the opportunity to think about ways to improve businesses. This **increases the rate of innovation.** Moreover, each person equally shares the profits

or losses of the business. There is **less economic inequality**. Consumers are provided with many alternatives because the government does not restrict markets, allowing businesses from different countries to enter.

## **CONCLUSION**

The Government should provide the **Business Loans in low interest**. Then only people get interest to start their own business. It will develop the country. The Government should **Decreased the tax**. It will protect the people's life.

The Government should try to **increase the Foreign investment** and **provided the employment opportunity** among the peoples. Everybody start the business within the country. Then only the Domestic Production will increase. The Government should try to **increase the competition** among the people. As results the new innovations will increases.

## **Future Scope**

The Index of Economic Freedom documents the positive relationship between economic freedom and a variety of positive social and economic goals. The ideals of economic freedom are strongly associated with **healthier societies, cleaner environments, greater per capita wealth, human development, democracy and poverty elimination**.

# APPENDIX

The screenshot displays the MySQL Workbench application window. The top menu bar includes File, Edit, View, Query, Database, Server, Tools, Scripting, and Help. The left sidebar shows the 'SCHEMAS' tree with a search filter and a list of objects including 'economic', 'economicfreedom', 'Tables', 'Views', 'Stored Procedures', 'Functions', and 'sys'. The main editor area shows a SQL file with the command 'create schema Economicfreedom;'. The bottom panel is divided into 'Administration' and 'Schemas' tabs. The 'Schemas' tab is active, showing a table with columns: #, Time, Action, Message, and Duration / Fetch. The table contains the following data:

#	Time	Action	Message	Duration / Fetch
3	05:55:42	SHOW DATABASES	OK	0.000 sec
4	05:55:45	SHOW SESSION VARIABLES LIKE 'lower_case_table_names'	OK	0.000 sec
5	05:55:45	SHOW TABLES FROM 'economicfreedom' like 'index_of_economic_freedom-2 (1)'	OK	0.000 sec
6	05:55:50	CREATE TABLE 'economicfreedom'. 'index_of_economic_freedom-2 (1)' ('Country_id' int, '...	OK	0.000 sec
7	05:55:51	PREPARE stmt FROM 'INSERT INTO 'economicfreedom'. 'index_of_economic_freedom-2 (1)'	OK	0.000 sec
8	05:56:01	DEALLOCATE PREPARE stmt	OK	0.000 sec

The bottom status bar shows the Windows taskbar with the search bar, taskbar icons, and system tray area displaying the time 05:57 AM and date 13-04-2023.