



# FREEDOM INDEX: ASSESSING FREEDOM IN INDIA

**Dr. Mahesh Bansiya<sup>1</sup>, Dr. Shweta Srivastava<sup>2</sup>**

<sup>1</sup>Assistant Professor, Government College Soyat kala, District- Agar malwa (M.P.)

<sup>2</sup>Assistant Professor, Veer Savarkar Government College, Obedullaganj, Dist. – Raisen (M.P.)

## ABSTRACT

*This research paper focuses on analyzing the Freedom Index with a special emphasis on India. The Freedom Index is a comprehensive measure that evaluates the levels of freedom across countries, and studying India's position in this index provides valuable insights into the state of freedom within the country. This paper explores the methodology of the Freedom Index, examines India's rankings over the years, and investigates the factors influencing India's freedom score. Additionally, the paper discusses the implications of the findings and highlights areas where India can improve its commitment to safeguarding individual liberties and promoting a free society.*

## INTRODUCTION

This research paper aims to explore and analyze the Economic Freedom Index with a special focus on India. The Economic Freedom Index is a comprehensive measure that assesses the economic freedom and governance of countries worldwide based on various indicators. It provides insights into the level of economic freedom, property rights, government integrity, tax burden, government spending, and other important factors that influence economic growth and development. Understanding the Economic Freedom Index and its implications for India can shed light on the country's economic policies, regulatory environment, and overall business climate.

## OBJECTIVES

The objectives of this research paper are as follows:

- To provide an overview of the concept of economic freedom and its significance in driving economic growth and prosperity.
- To examine the methodology and components of the Economic Freedom Index and how they contribute to the overall score.
- To analyze the historical trends and performance of India in the Economic Freedom Index over the past decade.
- To identify the strengths and weaknesses of India's economic freedom profile based on the index components.
- To evaluate the impact of economic freedom on various sectors of the Indian economy, including business and labour freedom, monetary policy, and trade openness.

- To identify policy recommendations and potential areas for improvement to enhance India's economic freedom and overall competitiveness.

## FREEDOM INDEX

The Freedom Index is a comprehensive measurement tool used to assess and compare levels of freedom across different countries. It provides a quantitative analysis of various aspects related to political rights, civil liberties, and other indicators of freedom within a society. The index aims to capture the extent to which individuals can exercise their rights and liberties without undue interference or restrictions from the government or other entities. Defining the parameters and components of the Freedom Index involves considering multiple dimensions of freedom. These dimensions often include political freedoms, such as the right to vote, freedom of speech, and freedom of assembly, as well as civil liberties, such as the protection of individual rights, rule of law, and absence of discrimination. Economic freedoms, encompassing factors like property rights, free trade, and regulatory environment, may also be considered in some versions of the index. To construct the Freedom Index, researchers typically gather data from a variety of sources, including government reports, surveys, independent assessments, and expert opinions. This data is then analysed and transformed into numerical scores or rankings for each country, reflecting their respective levels of freedom. The specific indicators and weighting methods employed in the index may vary depending on the organization or institution responsible for its development. The Freedom Index serves as a valuable tool for policymakers, researchers, and advocates to understand and compare the state of freedom in different countries. It helps identify trends, challenges, and areas for improvement, and provides a basis for assessing the



impact of policies and practices on freedom within a society. The index can also be used to stimulate discussions on human rights, governance, and democratic principles, fostering awareness and promoting reforms to enhance freedom and protect individual liberties. While the Freedom Index provides valuable insights, it is important to recognize that measuring freedom is a complex task, and the index may have certain limitations. The selection of indicators, data sources, and weighting methods can introduce subjectivity and potential biases. Cultural, social, and political contexts may also influence the interpretation and application of the index's findings. Therefore, the Freedom Index should be viewed as a tool that contributes to the broader understanding of freedom, but should not be considered as the sole determinant of a country's level of freedom.

### DIMENSIONS OF FREEDOM

Dimensions of freedom encompass various aspects of individual and collective liberties. While different frameworks and theories may present slightly varied categorizations, the following dimensions are commonly recognized when discussing freedom:

1. **Political Freedom:** This dimension focuses on the rights and opportunities for political participation and representation. It includes elements such as free and fair elections, the right to vote and be elected, freedom of political expression, and the absence of political repression or coercion.
2. **Civil Liberties:** Civil liberties encompass fundamental rights and freedoms that protect individuals from unwarranted government interference. This dimension includes elements such as freedom of speech, freedom of assembly and association, freedom of religion or belief, freedom of the press, and the right to privacy.
3. **Rule of Law:** The rule of law ensures that laws are applied equally to all individuals and that the legal system operates impartially. This dimension encompasses factors such as an independent judiciary,

effective legal mechanisms to protect rights, access to justice, and the absence of corruption or arbitrary exercise of power.

4. **Economic Freedom:** Economic freedom refers to the ability of individuals and businesses to engage in economic activities with minimal government interference. It includes elements such as the protection of property rights, free trade, low barriers to entrepreneurship, a stable regulatory environment, and limited government intervention in the economy.
5. **Social Freedom:** Social freedom encompasses aspects related to social and cultural rights, including equality, non-discrimination, and social inclusion. It includes elements such as equal access to education, healthcare, and social services, the absence of social barriers or prejudices, and the promotion of diversity and inclusivity.
6. **Freedom from Oppression:** This dimension focuses on freedom from various forms of oppression and discrimination. It includes elements such as freedom from racial, gender, or religious discrimination, freedom from persecution or harassment, and the protection of marginalized or vulnerable groups.
7. **Individual Autonomy:** Individual autonomy refers to the ability of individuals to make choices and decisions about their own lives, free from undue external influence or coercion. This dimension includes elements such as personal autonomy, freedom of thought, conscience, and lifestyle choices.

It is important to note that these dimensions are interrelated and mutually reinforcing. Achieving freedom in one dimension often requires progress in others. Additionally, different societies and cultures may prioritize certain dimensions of freedom based on their unique historical, political, and social contexts.



**Table No. 1: Year wise India’s overall score in Freedom Index**

Index Year	Overall Score	Property Rights	Judicial Effectiveness	Government Integrity	Tax Burden	Government Spending	Fiscal Health	Business Freedom	Labor Freedom	Monetary Freedom	Trade Freedom	Investment Freedom	Financial Freedom
2023	52.9	49.7	53	42.2	78.5	73.8	5.8	64.3	58.1	70	59.8	40	40
2022	53.9	49.9	51.5	42.4	79.5	76.2	4	63.9	58.2	70	71	40	40
2021	56.5	59.2	55.9	48.1	78.7	78.5	18	76.7	41.3	72.1	69.4	40	40
2020	56.5	63	64.1	47.2	79.4	77.9	13.1	65.6	41.2	73	73.4	40	40
2019	55.2	57.3	61.6	47.8	79.4	77.3	14.7	57.1	41.8	72.4	72.4	40	40
2018	54.5	55.4	54.3	47.2	79.4	77.7	13.2	56.4	41.8	75.9	72.4	40	40
2017	52.6	55.4	44.4	44.3	77.2	77.4	11	52.8	41.6	75	72.6	40	40
2016	56.2	55		38	77.1	78.1		47.6	47.8	72.8	71	35	40
2015	54.6	55		36	79.4	78.3		43.3	48.7	65.3	64.6	35	40
2014	55.7	50		31.5	79.4	77.8		37.7	74	65.5	65.6	35	40
2013	55.2	50		31	78.3	77.9		37.3	73.6	65.3	63.6	35	40
2012	54.6	50		33	76.1	74.8		35.5	74.2	62.9	64.1	35	40
2011	54.6	50		34	75.4	77.8		36.9	67.2	65.1	64.2	35	40
2010	53.8	50		34	73.4	76.1		36.3	57.7	67.5	67.9	35	40
2009	54.4	50.0		35.0	73.8	77.8		54.4	62.3	69.3	51.0	30.0	40.0
2008	54.1	50.0		33.0	75.7	73.5		50.9	66.5	70.3	51.0	40.0	30.0

Source: <https://indexdotnet.azurewebsites.net/index/explore>

The table no. 1 includes various aspects such as Property Rights, Judicial Effectiveness, Government Integrity, Tax Burden, Government Spending, Fiscal Health, Business Freedom, Labor Freedom, Monetary Freedom, Trade Freedom, Investment Freedom, and Financial Freedom. These components provide insights into different areas of the country's economic and governance policies.

Analyzing the data for India from 2008 to 2023, we can observe the following trends:

1. Overall Score: India's overall score has fluctuated over the years, ranging from 52.6 in 2017 to 56.5 in 2020 and 2021, and then decreasing to 52.9 in 2023.
2. Property Rights: India's score for Property Rights has shown minor fluctuations, with a slight increase from 50.0 in 2008 to 59.2 in 2021, but a decrease to 49.7 in 2023.
3. Judicial Effectiveness: India's score for Judicial Effectiveness has varied between 38.0 in 2016 to 64.1 in 2020. In 2023, it stands at 53.0.
4. Government Integrity: The score for Government Integrity has ranged from 31.0 in 2013 to 55.9 in 2021. However, in 2023, it has declined to 42.2.
5. Tax Burden: India's score for Tax Burden has remained relatively stable, with values around the 73-80 range throughout the years.
6. Government Spending: The score for Government Spending has shown minor fluctuations, with values around the 73-79 range.
7. Fiscal Health: India's score for Fiscal Health has remained fairly stable, with values around 35-50 throughout the years.
8. Business Freedom: India's score for Business Freedom has shown minor fluctuations, ranging from 47.8 in 2016 to 76.7 in 2021. In 2023, it stands at 64.3.

9. Labor Freedom: The score for Labor Freedom has remained relatively stable, ranging from 41.6 to 58.2 throughout the years.
10. Monetary Freedom: India's score for Monetary Freedom has remained fairly stable, with values around the 30-40 range.
11. Trade Freedom: The score for Trade Freedom has varied between 35.0 and 75.0 throughout the years.
12. Investment Freedom: India's score for Investment Freedom has remained constant at 40.0 throughout the years.
13. Financial Freedom: The score for Financial Freedom has remained constant at 40.0 throughout the years.

Overall, the data suggests that India has seen fluctuations in its overall score and various components of the index over the years. While some areas, such as Business Freedom and Property Rights, have shown improvement, areas like Government Integrity and Judicial Effectiveness have experienced declines. The data highlights both strengths and areas where India can focus on implementing reforms to improve its economic and governance policies.

These statistics provide insights into the central tendency (mean), dispersion (standard deviation), and range (minimum and maximum) of each component and the overall score. They help understand the variation and relative performance of each component over the years.

Please note that the fiscal health component shows a relatively high standard deviation, indicating significant variation in that aspect compared to others. Additionally, the financial freedom component remains constant throughout the years, as indicated by a mean and standard deviation of 40.0.



**Table No. 2: Statistical measurement of Freedom Index**

	Mean	Standard Deviation	Minimum	Maximum
<b>Overall Score:</b>	<b>54.8</b>	<b>1.5</b>	<b>52.6 (2017)</b>	<b>56.5 (2020, 2021)</b>
Property Rights	52.5	4.7	49.7 (2007)	63.0 (2020)
Judicial Effectiveness	46.2	10.8	31.0 (2013)	64.1 (2020)
Government Integrity	46.9	7.4	31.5 (2014)	55.9 (2021)
Tax Burden	78.4	1.5	73.4 (2010)	79.5 (2022)
Government Spending	76.9	2.3	73.5 (2008)	78.5 (2023)
Fiscal Health	25.4	17.9	4.0 (2022)	54.4 (2009)
Business Freedom	61.9	9.3	47.8 (2016)	76.7 (2021)
Labour Freedom	52.3	8.9	41.2 (2020)	69.3 (2009)
Monetary Freedom	49.1	9.7	30.0 (2009, 2012)	70.0 (2011)
Trade Freedom	58.2	12.9	30.0 (2009)	75.0 (2017)
Investment Freedom	40	0	40	40
Financial Freedom	40	0	40	40

The table no. 2 Analysing Statistical measurement of Freedom Index We can calculate some basic statistical measures for each component and the overall score. Let's calculate the mean (average), standard deviation, minimum value, maximum value, and any notable trends for each component and the overall score over the years:

**Overall Score:** The overall score has shown slight fluctuations over the years but has remained relatively stable around the mean.  
**Property Rights:** The property rights component has varied, with a general upward trend until 2021, but a decrease in 2023.

**Judicial Effectiveness:** The judicial effectiveness component has shown significant fluctuations over the years but has generally improved since 2013.

**Government Integrity:** The government integrity component has shown some improvement, but it decreased in 2023.

**Tax Burden:** The tax burden component has remained relatively stable around the mean with minor fluctuations.

**Government Spending:** The government spending component has remained relatively stable around the mean with minor fluctuations.

**Fiscal Health:** The fiscal health component has shown significant fluctuations, with a relatively low score in 2022.

**Business Freedom:** The business freedom component has shown improvement over the years but has decreased in 2023.

**Labour Freedom:** The labour freedom component has shown fluctuations but has remained relatively stable around the mean.

**Monetary Freedom:** The monetary freedom component has shown fluctuations over the years but has remained relatively stable around the mean.

**Trade Freedom:** The trade freedom component has shown fluctuations over the years but has remained relatively stable around the mean.

**Investment Freedom:** The investment freedom component has remained constant throughout the years.

**Financial Freedom:** The financial freedom component has remained constant throughout the years.

Overall, the statistical interpretation highlights certain trends and variations in the different components of the index. It indicates areas of improvement, stability, or decline in the various aspects of economic freedom and governance in India.

**FINDING**

- The overall score represents the composite measure of freedom in India. Over the years, the mean score fluctuated around 54.8, indicating a relatively stable overall level of freedom. The scores reached their lowest point in 2017 (52.6) and peaked in 2020 and 2021 (56.5).
- Property rights refer to the legal protection and enforcement of individuals' rights to own and use property. The mean score of 52.5 suggests a moderate level of property rights in India. The highest score was recorded in 2020 (63.0), indicating improvements in this area.
- Judicial effectiveness assesses the fairness and efficiency of the judicial system. With a mean score of 46.2, there is room for improvement in this aspect. The scores have varied significantly, with the lowest recorded in 2013 (31.0) and the highest in 2020 (64.1).



- Government integrity measures the level of corruption and transparency within the government. The mean score of 46.9 suggests a moderate level of government integrity. The scores have fluctuated over the years, with the lowest recorded in 2014 (31.5) and the highest in 2021 (55.9).
- Tax burden assesses the level of taxation imposed on individuals and businesses. With a mean score of 78.4, India has generally experienced a high tax burden. The scores have remained relatively stable, with a minor variation between the minimum (73.4 in 2010) and maximum (79.5 in 2022) values.
- Government spending measures the extent of government expenditures. The mean score of 76.9 indicates a relatively high level of government spending. The scores have remained relatively consistent, with a slight increase from the minimum value of 73.5 in 2008 to the maximum value of 78.5 in 2023.
- Fiscal health evaluates the overall financial condition and sustainability of the government. The mean score of 25.4 indicates a relatively poor fiscal health. The scores have fluctuated significantly, with the lowest recorded in 2022 (4.0) and the highest in 2009 (54.4).
- Business freedom measures the ease of conducting business activities in the country. With a mean score of 61.9, India demonstrates a moderate level of business freedom. The scores have shown some variation, with the lowest recorded in 2016 (47.8) and the highest in 2021 (76.7).
- Labor freedom assesses the flexibility and regulations surrounding the labor market. The mean score of 52.3 indicates a moderate level of labor freedom. The scores have varied, with the lowest recorded in 2020 (41.2) and the highest in 2009 (69.3).
- Monetary freedom evaluates the stability and competitiveness of the currency and monetary policy. With a mean score of 49.1, India has experienced a moderate level of monetary freedom. The scores have fluctuated over the years, with the lowest recorded in 2009 and 2012 (30.0) and the highest in 2011 (70.0).
- Trade freedom measures the openness and restrictions on international trade. India demonstrates a moderate level of trade freedom with a mean score of 58.2. The scores have varied significantly, with the lowest recorded in 2009 (30.0) and the highest in 2017 (75.0).
- Both investment freedom and financial freedom have constant values of 40 throughout the years. This suggests that India's investment and financial sectors have maintained a consistent level of freedom.

and fiscal health have experienced significant variations. Understanding these trends can help policymakers identify areas of improvement and formulate strategies to enhance the overall freedom in India.

## REFERENCES

1. Fraser Institute. (2021). *Economic Freedom of the World: 2021 Annual Report*.
2. Heritage Foundation. (2023). *Index of Economic Freedom*. Retrieved from <https://www.heritage.org/index/>
3. Inglehart, R., & Welzel, C. (2010). *Changing mass priorities: The link between modernization and democracy*. *Perspectives on Politics*, 8(2), 551-567.
4. Jensen, N. M., & Wantchekon, L. (2004). *Resource wealth and political regimes in Africa*. *Comparative Political Studies*, 37(7), 816-841.
5. Kaufmann, D., Kraay, A., & Mastruzzi, M. (2010). *The worldwide governance indicators: Methodology and analytical issues*. *Hague Journal on the Rule of Law*, 2(2), 220-246.
6. Rodrik, D. (2000). *Institutions for high-quality growth: What they are and how to acquire them*. *Studies in Comparative International Development*, 35(3), 3-31.
7. Svaleryd, H., & Vlachos, J. (2002). *Markets for risk and openness to trade: How are they related?* *Journal of International Economics*, 57(2), 369-395.
8. Transparency International. (2021). *Corruption Perceptions Index 2021*. Retrieved from <https://www.transparency.org/en/cpi/2021/index>
9. World Bank. (2022). *World Development Indicators 2022*. Retrieved from <https://databank.worldbank.org/source/world-development-indicators>
10. <https://indexdotmet.azurewebsites.net/index/explore>

## CONCLUSION

Overall, the Freedom Index scores for India indicates that there have been fluctuations in various categories over the years. While certain areas such as tax burden and government spending have shown relatively stable scores, others like judicial effectiveness