

# [Areas of economic freedom of the world (efw)](https://assignbuster.com/areas-of-economic-freedom-of-the-world-efw/)

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Answer 3: Areas of Economic Freedom of the World (EFW Business Freedom: Business Freedom refers to the ability of a person to manage a businessin accordance with the government-imposed rules, laws, and regulations concerning businesses.
Trade Freedom:
Trade Freedom is the second main area of EFW that relates to the freedom one can enjoy while operating the business of import and export.
Monetary Freedom:
Another area of EFW is Monetary Freedom that reflects the combination of price control and price stability within the economic environment of a country.
Government Size/Spending:
Government Spending refers to the extent to which the government spends at local, federal, and state level and is measured as a percentage of GDP.
Fiscal Freedom:
This area of EFW refers to the extent to which an individual or a business enjoys tax reduction/exemption by the government.
Property Rights:
This area of EFW refers to the ability of an individual to build up private property in accordance with the government-imposed laws.
Investment Freedom:
This area refers to the extent to which an individual can make capital investments inside and outside the country without any restriction.
Financial Freedom:
This area measures banking efficiency, as well as the extent to which an individual can enjoy financial independence from the financial sector and the government.
Freedom from Corruption:
This area of EFW refers to the extent to which a state enjoys economic freedom that results due to reduced level of corruption.
Labor Freedom:
This area of EFW analysis the labor market based on a country’s legal and regulatory framework for labor market.