

Politico-economic systems in world countries:

Evidence from political freedom data and economic freedom data

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Abstract

This paper examines politico-economic systems in world countries by using political freedom data and economic freedom data. I take political freedom as the x-axis and economic freedom as the y-axis and represent a politico-economic system of a country by the pair (x, y) . I divide the systems in world countries into some groups for each year and examine present situation and movements of the systems. Next, I estimate regression equations where explained variables are the changes of the freedoms and explanatory variables are the freedoms in order to check convergences of the freedoms. I explain current movements of the systems and predict their future using the results of the regression analysis. Throughout the above, I show that convergence of the systems in world countries is in progress. Convergence of capitalism system and socialism system was discussed before, but now it can be said that another type of system convergence is going on.

Keywords; System, Political freedom, Economic freedom

Related theme: 1. Comparative Institutional Analysis