

# **Does Trade off between the Liberalism and the Neo-liberalism is needed for the welfare of the nations? – An Empirical Study**

**Shankar MM**

## **Abstract**

This study examined the relationship between liberalism and neo-liberalism across the region of the world, employing the selected indicators of economic freedom index as a proxy to measure neo-liberalism and using the dimensions (political rights and civil liberties) of freedom index as a proxy to measure liberalism. An analytical research method is employed, and secondary data is utilized from both the index for the period of 2013 to 2019. The study's findings revealed that liberalism measures political rights negatively related, and civil liberties positively related with neo-liberalism measures. The study has limitations of taking proxy variables than actually measuring the constructs of liberalism and neo-liberalism. Since there is no literature direction to operationalize liberalism and neo-liberalism, the author used his arbitrary to select indicators from the available index. Through various theoretical frameworks is dominating than liberal and neo-liberal. However, the study confined only two to this. The study tested the hypotheses using multiple linear regression techniques. The study has scope to extend in future directions for other theories such as realism, constructivism, and Marxism.

**Key words: Liberalism, Neo-Liberalism, and Index**

## 1 Introduction

This study focused on liberalism and neo-liberalism, the former is Institutional building, democracy safe guarding, shared value and cooperation between or among the nation are the main objective, and the latter is supporting the economic aspects such as institutional trade establishments, and rules and regulations of trades and empower the individual capitalist to boost the economy. Political Rights and Civil liberties are a key pillar of liberalism, and neo-liberalist believe in the ease of making international trade by reducing the Tariff and non-tariff barriers. Many studies deal with the various theoretical frameworks and but hardly operationalize the concepts of liberalism or neoliberalism since they are not operationalized in the measurable form, hardly found empirical-based quantitative Analysis in this arena. This study attempts to operationalize and find the relationship between liberalism and neo-liberalism using various indexes available in the IR literature work.

## 2 Review of literature

### 2.1 Types of liberalism and the core values

Berlin's and Raz's developed "perfectionist liberalism", perfectionist encompassed doctrine about the good life and the nature of value, however comprehensive liberalism advocated by Ronald Dworkin may be a non-perfectionist who defended the ideal of state neutrality. "political liberalism" view was developed first by Charles Larmore, which fundamentally recommends resolving the disagreements in a pluralistic society, where individual freedom and equal rights of citizens are rooted in the public political culture of liberal democracy (NUSSBAUM 2011)<sup>1</sup> Different types of liberalism, including perfectionist, political, and comprehensive, all are fulcrum by political Freedom and individual liberties. However, neo-liberalism was developed by Dürkheim and Caillois, fundamentally tangent deviated more emphasizing the economic development of states though its origin is more social development through entrepreneurship and competitiveness. (Gane 2009) asserted that, originally philosophers thought that neo-liberalism was a new stage of socialism, but it might be called "negative socialism".<sup>2</sup> (Watson 2004) pinpointed

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<sup>1</sup> NUSSBAUM, MARTHA C. 2011. "Perfectionist Liberalism and Political Liberalism." *Philosophy & Public Affairs* 39 (1): 3–45. <https://www.jstor.org/stable/41301860>.

<sup>2</sup> Gane, Mike. 2009. "The Paradox of Neo-Liberalism." *Durkheimian Studies / Études Durkheimiennes* 15: 20–25. <https://www.jstor.org/stable/2386>

that liberalism is emphasized on considerable values, principles about political rights, civil liberties, and promoting the shared cooperation for the benefit of universalism and neo-liberalism is backing the contemporary imperialism which binds all the economic institutions and various business activities and occupying the role of in terms of employment opportunities and influencing the state regulations on the business.<sup>3</sup> The highest purpose of the states is to serve the goals of the self-interested individual in the name of upliftment of states' economy.

Self-interested Individuals impoverishes all liberal accounts of capitalism and democracy. (Girdwood 2007) highlights the reforms needed in the world bank. It moved from social-liberalism to neo-liberalism, especially education for the government in neo-liberal styles. This style of education makes World Bank become a 'knowledge bank' so the possession of knowledge in the hands of neo-liberalism.<sup>4</sup> According to Chu Anping in the 1930s, China calls for us to follow "this third path" between capitalism and socialism. It will have to be constructed on the common ground that they share. (LICHUAN and Oates 2004) Mary Louise Pratta of neoliberalism that advocates growth at any has noted that "neo liberalisms Achilles' heel vehemently opposed to unregulated growth would become the crisis of future".<sup>5</sup> The exploitation of common goals like water, space, and air by self-interested nations and individuals and uneven distribution of the resources makes all common goals against the neo-liberalism disinheritance plot (NIXON 2012)<sup>6</sup> Hoffman defined "the neo-liberal agenda as broad, encompassing and extremely divisive in terms of the centre and the periphery". (Carr and Thésée 2011) highlighted the problematic nature of neoliberalism, especially in the education system, which is downplaying the political literacy in the education system. Authors emphasized an agenda more aligned with the needs of society as opposed to the market and the need for a re-configured vision and framework for accountability for political literacy, where the younger generation knows the value of social justice, equality through political literacy<sup>7</sup>. Referring to the recent Kitex exit from Kerala and opening the larger business unit in Telangana, quoting the reason for the ease of doing

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<sup>3</sup> Watson, Hilbourne A. 2004. "Liberalism and Neo-Liberal Capitalist Globalization: Contradictions of the Liberal Democratic State." *GeoJournal* 60 (1): 43–59. <https://www.jstor.org/stable/41147863>.

<sup>4</sup> Girdwood, John. 2007. "Reforming the World Bank: From Social-Liberalism to Neo-Liberalism." *Comparative Education* 43 (3): 413–31. <https://www.jstor.org/stable/29727843>.

<sup>5</sup> LICHUAN, CHEN, and Nick Oates. 2004. "The Debate Between Liberalism and Neo-Leftism at the Turn of the Century." *China Perspectives*, no. 55: 30–39. <https://www.jstor.org/stable/24051898>.

<sup>6</sup> NIXON, ROB. 2012. "Neoliberalism, Genre, and 'The Tragedy of the Commons.'" *PMLA* 127 (3): 593–99. <https://www.jstor.org/stable/41616851>.

<sup>7</sup> Carr, Paul R., and Gina Thésée. 2011. "Chapter 6: Neo-Liberalism, Political (II) Literacy and the Quest for Democracy." *Counterpoints* 378: 105–22.

business. (George 2021) argued that, Kitex episode showed global perspective supports neoliberalism at the cost of people democracy<sup>8</sup>.

## 2.2 Various Index manifested Liberalisms

This study attempted to operationalize liberalism and neo-liberalism through the various indices; it is better to review various prior literature from international relations and international business and economics to understand the utility of index in various research. (Sarpong-Kumankoma et al. 2018) Research showed that financial Freedom and economic Freedom show a positive impact on bank profits in the sub-Saharan region for 2006-2012.<sup>9</sup> From 1995 to 2000, study conducted by (Sambharya and Rasheed 2015) examined the relationship among the dimension of economic Freedom, political Freedom in the host countries on the FDI inflows, though study used economic freedom index, It highlighted the limitations of using index data, the limitations such as model selection, parameter heterogeneity and outliers and moral hazard, the present study also have this limitation<sup>10</sup>. From policy perspectives, the study advocated that the nations enhancing economic and political Freedom is imperative to attract the FDI inflows. A study by (Peterson 2013) connected the link between economic freedom and financial indicators like exchange-traded funds; that study used ANOVA statistical technique to show the difference between the ETF returns by the group categorized by Economic Freedom Index; however, the result was not supported statistically<sup>11</sup>. The prior study in economic index related with the market, FDI, and another index, the study from (Cebula, Rossi, and Clark 2016) is attempted to relate both higher quality government regulation of business and economic index with living standard of OECD countries, the study covered the period of 2003-2007. It used time-series and cross-section data of OECD to do the Analysis<sup>12</sup>.

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<sup>8</sup> George, Varghese K. 2021. "The Thread to Grasp in the Kitex Story." The Hindu, July 21, 2021, sec. Comment. <https://www.thehindu.com/opinion/op-ed/the-thread-to-grasp-in-the-kitex-story/article35434128.ece>.

<sup>9</sup> Sarpong-Kumankoma, Emmanuel, Joshua Abor, Anthony Quame Q. Aboagye, and Mohammed Amidu. 2018. "Freedom, Competition and Bank Profitability in Sub-Saharan Africa." *Journal of Financial Regulation and Compliance* 26 (4): 462–81. <https://doi.org/10.1108/JFRC-12-2017-0107>.

<sup>10</sup> Sambharya, Rakesh B, and Abdul A Rasheed. 2015. "Does Economic Freedom in Host Countries Lead to Increased Foreign Direct Investment?" *Competitiveness Review* 25 (1): 2–24. <https://doi.org/10.1108/CR-05-2013-0047>.

<sup>11</sup> Peterson, Timothy. 2013. "An Examination of the Relationship between the Economic Freedom Index Value and the Matching Country Specific Exchange Traded Fund Return." Edited by Monzurul Hoque. *Managerial Finance* 39 (7): 677–90. <https://doi.org/10.1108/03074351311323464>.

<sup>12</sup> Cebula, Richard, Fabrizio Rossi, and Jeff Clark. 2016. "The Impact of Higher Quality Government Regulation of Business and Greater Economic Freedom on Living Standards: Evidence from OECD Nations." *Journal of Entrepreneurship and Public Policy* 5 (1): 82–94. <https://doi.org/10.1108/JEPP-11-2015-0034>.

A study in the US (Cebula et al. 2017) focused on labour freedom on the geographical cost of living differentials; the outcome showed that government intrusiveness and greater labour freedom are related to a reduced cost of living expected in the US. To the author's knowledge, there is little study attempted to find out the relationship between the dimensions of economic Freedom (trade dimensions) and freedom index (political rights and civil liberties).<sup>13</sup> Some more studies in the sub-Saharan region tried to relate economic Freedom with key health indicators (Sharma 2020)<sup>14</sup>, The outcome of the study confirmed with the help of statistical evidence that there is a negative relationship existed between economic freedom and mortality rates, there is a positive relationship between economic freedom and life expectancy in sub-Saharan Africa, the policy implication is economic played a vital role in enhancing the health indicators of the nations (Edwards and Biser 2011) relating civil liberties with economic indicators like investments and consumption. Civil liberties are the dimension of the freedom index<sup>15</sup>. The study outcomes confirmed that the substitution effect from investment to consumption impede civil liberties in global south economies. One of the major contributions is that no prior studies directly explore civil liberties proper; most of the time, it is obtain from the political or economic index. Another study considered economic and democratic values in the context of Russia, comparing Pre and Post-Soviet generations (Hahn and Logvinenko 2008)<sup>16</sup>; the study outcome showed that the current generation is not much interested in politics and then getting ahead in the world. However, the study did not use much rigour statistical technique to prove their point. Most of the literature dealt with economic Freedom along with the market, health indicators, and macroeconomic indicators such as FDI, investment and consumption; however, there are not many studies relating economic Freedom with freedom index, which dealt with political rights and civil liberties. In the current scenario, many business journals bothered about the ranking of freedom index and how far the countries are developing the ranking year on year (*Investors Business Daily*

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<sup>13</sup> Cebula, Richard, James E. Payne, Donnie Horner, and Robert Boylan. 2017. "The Impact of Labor Freedom on Geographic Cost of Living Differentials: Controlling for Economic and Quality of Life Factors, 2016." *Journal of Entrepreneurship and Public Policy* 6 (3): 385–95. <https://doi.org/10.1108/JEPP-D-17-00015>.

<sup>14</sup> Sharma, Anand. 2020. "Does Economic Freedom Improve Health Outcomes in Sub-Saharan Africa?" *International Journal of Social Economics* 47 (12): 1633–49. <https://doi.org/10.1108/IJSE-01-2020-0008>.

<sup>15</sup> Edwards, Jeffrey A., and Jennis J. Biser. 2011. "The Interactive Effect of Remittances and Civil Liberties on Investment and Consumption." *International Journal of Development Issues* 10 (1): 20–33. <https://doi.org/10.1108/14468951111123319>.

<sup>16</sup> Hahn, Jeffrey W., and Igor Logvinenko. 2008. "Generational Differences in Russian Attitudes towards Democracy and the Economy." *Europe-Asia Studies* 60 (8): 1345–69. <https://doi.org/10.1080/09668130802292168>.

2019)<sup>17</sup> reported US improvement in the ranking of freedom index. In prior research from international business, economics and political literature there is dearth of connecting between economic freedom from international trade perspectives and the freedom index, the researcher able to identify the gap of the study as to relate economic freedom with freedom index. It is worth to explore the relationship among the dimensions of economic freedom index from international trade perspective and freedom index, further study can understand how the relationship is vary from one region to another region.

### **2.3 Research Gap**

This study used dimensions of freedom index as the variables measuring the concepts of liberalism and trade dimensions of economic freedom index variables used as measuring neo-liberalism. The study attempts to find the relationship between liberalism and neo-liberalism for the period of 2013 to 2019 across the various regions. However, many past studies attempted to relate both liberalism and neo-liberalism in theoretical and philosophical approaches; however, their dearth of study operationalized both the constructs and established the quantitative relationship backed by statistics.

### **3. Research Methodology**

This article followed the research methodology and design (Roselle, Spray, and Shelton 2019, 84)<sup>18</sup>, especially the documentation style typically followed in IR Journals. The study started with identifying the key theory like liberalism and neo-liberalism and followed research questions, data analysis, and finally, contributing knowledge to existing theory. This section dealt with detailed aspects of various aspects of research which include- research questions, hypothesis, limitations, methods and measures used.

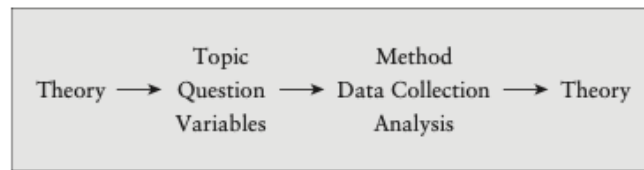
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<sup>17</sup> Investors Business Daily. 2019. "Making Freedom Great Again: U.S. Jumps Six Spots On Global Freedom Index," January 25, 2019.

<https://search.ebscohost.com/login.aspx?direct=true&db=bwh&AN=134303508&site=ehost-live>.

<sup>18</sup> Roselle, Laura, Sharon Spray, and Joel T. Shelton. 2019. *Research and Writing in International Relations*. 3rd ed. New York: Routledge. <https://doi.org/10.4324/9780429446733>.

Figure 1 Research Method



Source: Roselle, Laura, Sharon Spray, and Joel T. Shelton. 2019. *Research and Writing in International Relations*

### 3.1 Scope and Limitations

The study scope is limited to selected indicators of both economic Freedom and freedom index. Some of the indexes have been available from 1965 onwards, but this study limited 2013 to 2019. The study deliberately did not consider 2020-21 because of the covid effect, drastically disturbing the past trend. The researcher tried to borrow the existing index to measure the proxy for liberalism and neo-liberalism than creating his own index. Through various theoretical frameworks is prevailing in the IR domain, the study objective restricted to dealing with liberalism and neo-liberalism.

### 3.2 Research Questions

Does liberalism (Political rights and civil liberties) affect the presence of neo-liberalism (Tariffs, Non-tariff trade barriers, Financial Openness and Freedom to trade internationally) among the regions?

Have any statistical differences on liberalism and neo-liberalism on regions wise. (Europe, MENA, SSA, Americas, Eurasia, and Asia).

### 3.3 Study Hypothesis

In International Relations, hypotheses are formulated in two ways suggested by (Roselle, Spray, and Shelton 2019, 69)<sup>19</sup>. Firstly, with the support of prior scholarly literature, the researcher can find the idea to formulate the hypothesis. Secondly, Identifying the variables based on research questions and researchers believe in providing the answer to

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<sup>19</sup> Roselle, Laura, Sharon Spray, and Joel T. Shelton. 2019. *Research and Writing in International Relations*. 3rd ed. New York: Routledge. <https://doi.org/10.4324/9780429446733>.

the stipulated research questions. This study followed the second approach to formulate the hypotheses.

H1A: There is a relationship between liberalism (Political rights and civil liberties) and neo-liberalism (Tariffs, Non-tariff trade barriers, Financial Openness and Freedom to trade internationally) among the various regions.

H2A: Disparity in the presence of liberalism and neo-liberalism across the region-wise (Europe, MENA, SSA, Americas, Eurasia, and Asia)

### **3.4 Research Method**

This study followed the positivism paradigm to understand the given problem; positivism supported the knowledge construction through a quantitative research approach, which follows the hypothetico-deductive logic. The study used the Analytical research method especially using quantitative-based analytical method. The formulated hypothesis is tested using statistical techniques like correlation, regression and one way ANOVA test. The data is collected from the Fraser Institute website for Economic freedom (EF) index, and Freedom Index (FF) is collected from the Freedom House website. After cleaning the data, the complete filled sample is 154 nations as observations and 12 indicators, six of EF and FF.

### **3.5 Measures used in the study**

When research moves from conceptualization to measurement, a new challenge emerges, how to get reliable and valid measures to quantify the existence of the concepts. Indicators bridge the gap between concepts to data, making it unobservable into observable (Curini and Franzese 2020, 337)<sup>20</sup> The below paragraph provides details of the measures used in the study.

Freedom Index has two dimensions, namely 1. Political rights and 2. civil liberties. Political rights have main indicators like Electoral Process, Political Pluralism & Participation, and Functioning of Government. Civil liberties have key indicators like

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<sup>20</sup> Curini, Luigi, and Robert Franzese, eds. 2020. *The SAGE Handbook of Research Methods in Political Science and International Relations*. SAGE.



Freedom of Expression & Belief, Associational and Organizational Rights, Rule of Law and Personal Autonomy and Individual Rights.

The aggregated score of Political Rights is ranged between 0–40, and its aggregated score of Civil Liberties is ranged between 0–60, combined both of political rights and civil liberties are known as Freedom Index (“Freedom in the World” 2021), in this study, these dimensions are employed as proxy variables to measure liberalism. On Economic Freedom (EF), the study used Fraser institute developed Economic freedom index; EF defines "the degree - policies and institutions of countries are supportive of economic freedom" (Gwartney 2021); broadly, it covered four areas, namely, 1. The rule of law, 2. Government size, 3. Regulatory efficiency, and 4. Market openness<sup>21</sup> The study was interested only in exploring the Regulatory efficiency; the study selected four indicators that measure the international business of system of both Tariff and non-tariff. These four variables are used as a proxy to measure neo-liberalism.

#### **4 Data Analysis**

The study followed the Empirical Implications of Theoretical Models (EITM) approach suggested by (Box-Steffensmeier, Brady, and Collier 2008, 828–43), which emphasized leveraging the theory with the support of empirical evidence and establishing causal mechanism using data. This section dealt with two major statistics like one-way Analysis of variance (ANOVA) and multiple regression to prove the abovementioned hypotheses. R software is used (R Core Team 2020); to report regression analysis "*screenreg*" package is employed which provide format needed for the journal publication (Hlavac 2018) To prove Hypotheses 2, ANOVA is used, which establish significant difference among the region on the study measures.

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<sup>21</sup> Gwartney, James. 2021. "Economic Freedom of the World: 2021 Annual Report." Fraser Institute, 282.

Table 1 Descriptive and ANOVA – Liberalism measures

	Region	N	Mean	SD	F value	P value
<b>Political Rights (PR)</b>	Americas	129	30.95	7.2	244.68	< .001
	Asia	130	23	11.98		
	Eurasia	46	13.65	9.67		
	Europe	180	35.39	5.77		
	MENA	84	11.18	10.02		
	SSA	198	19.29	10.55		
<b>Civil Liberties (CL)</b>	Americas	129	43.75	10.2	251.5	< .001
	Asia	130	34.28	13.73		
	Eurasia	46	23.96	10.35		
	Europe	180	51.99	8.33		
	MENA	84	19.69	11.1		
	SSA	198	29.45	12.79		

Both Political rights and civil liberties have the same pattern, European regions scored the highest average, PR  $M=35.39 \pm (5.77)$  and CL,  $M=51.99 \pm (8.33)$ , in both cases, F value is statistically significant and  $P < .001$ , the output showed hypotheses two confirm the theory of liberalism values persisting higher in Europe region compared to another region of the world.

Graph 1 Liberalism measures (political rights and civil liberties) Average of 5 years [2015 – 2019]

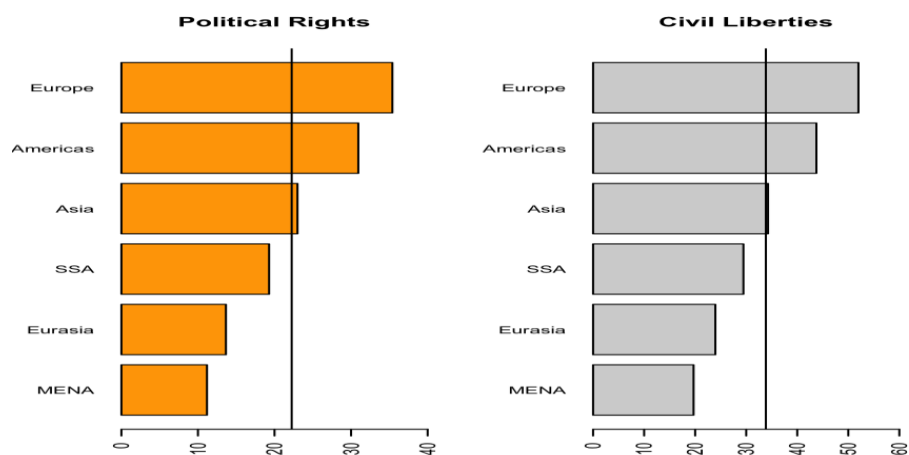


Table 2 Descriptive and ANOVA – Neo-liberalism measures

	<b>Region</b>	<b>N</b>	<b>Mean</b>	<b>SD</b>	<b>F value</b>	<b>P value</b>
Tariffs	Americas	129	7.62	1.11	247.97	< .001
	Asia	130	7.59	1.34		
	Eurasia	46	8.25	0.69		
	Europe	180	8.07	0.63		
	MENA	84	7.42	1.42		
	SSA	198	6.94	0.85		
Non-tariff trade barriers	Americas	129	5.5	1.09	259.74	< .001
	Asia	130	5.8	1.07		
	Eurasia	46	5.6	0.58		
	Europe	180	6.28	0.68		
	MENA	84	5.59	0.9		
	SSA	192	5	0.9		
Financial Openness	Americas	129	6.03	3.62	243.57	< .001
	Asia	125	4.84	3.57		
	Eurasia	46	4.23	3.42		
	Europe	180	8.42	2.31		
	MENA	84	5.82	4.03		
	SSA	198	3.27	3.18		
Freedom to trade internationally	Americas	129	7.33	1.09	232.53	< .001
	Asia	130	7.07	1.18		
	Eurasia	46	7.26	0.91		
	Europe	180	8.3	0.42		
	MENA	84	6.63	1.57		
	SSA	198	6.13	1.16		

All the four indicators are measuring neo-liberalism; on Tariff, Eurasia is dominating M=8.25 out of 10 and Sd = +/- .69, F = 247.97 and P < .001. Non-tariff trade barriers, Financial Openness, and Freedom to trade internationally, Europe is secured higher scored than other regions, and all the P values <.001, it showed. Hypotheses 2 confirmed that the theory of neoliberalism is prevailing higher in the European region than in other parts of the world.

Graph 2 Neo-Liberalism measures Average of 5 years [2015 – 2019]

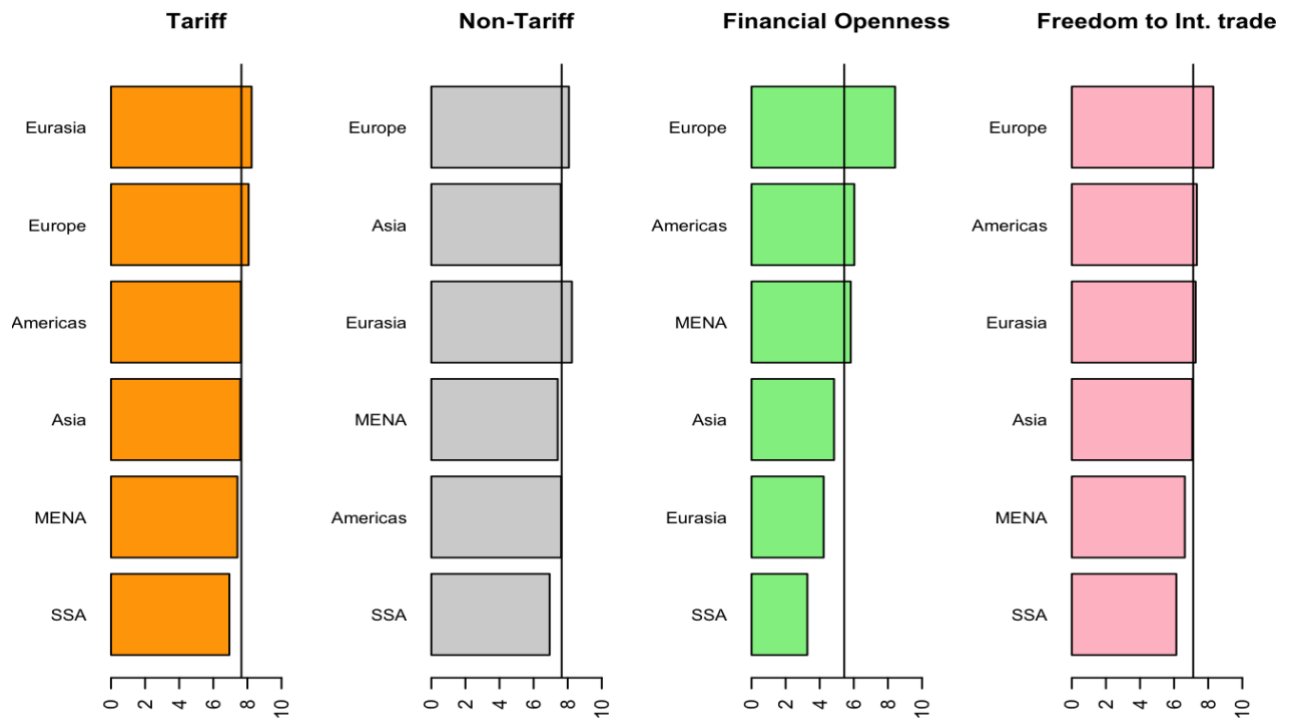


Table 3 Multiple Linear Regression – Tariff and Non Tariff trade barriers

Dependent variable:		
	M1= Tariffs	M2 = Non Tariff trade barriers
Constant	6.978*** (0.149)	4.326*** (0.128)
Reference(America)		
RegionAsia	0.131 (0.113)	0.510*** (0.096)
RegionEurasia	0.818*** (0.163)	0.419*** (0.139)
RegionEurope	0.350*** (0.105)	0.500*** (0.089)
RegionMENA	0.124 (0.142)	0.737*** (0.121)
RegionSSA	-0.466*** (0.108)	-0.089 (0.092)
Political_Rights	-0.008 (0.009)	-0.031*** (0.007)
Civil_Liberties	0.020*** (0.007)	0.049*** (0.006)
Observations	1,069	1,061
R2	0.165	0.261
Adjusted R2	0.159	0.256
Residual S.E.	1.037 (df = 1061)	0.883 (df = 1053)
F Statistic	29.911*** (df = 7; 1061)	53.025*** (df = 7; 1053)

Note \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 figures not in the bracket is beta and figure inside parenthesis standard error

Since four indicators are taken to measure neo-liberalism, which is the dependent variable, four sets of multiple regression analyses are used to verify hypothesis 1. The output is discussed below:

Table 4 Multiple Linear Regression – Financial Openness and Freedom trade internationally

Dependent variable:		
	M3= Financial Openness	M4= Freedom trade internationally
Constant	1.929*** (0.445)	5.485*** (0.138)
Reference(America)		
Asia	-0.513 (0.341)	0.099 (0.104)
Eurasia	-0.331 (0.485)	0.522*** (0.150)
Europe	1.474*** (0.313)	0.547*** (0.097)
MENA	1.861*** (0.424)	0.278** (0.131)
SSA	-1.638*** (0.322)	-0.626*** (0.100)
Political_Rights	-0.119*** (0.026)	-0.036*** (0.008)
Civil_Liberties	0.176*** (0.021)	0.067*** (0.007)
Observations	1,062	1,067
R2	0.330	0.461
Adjusted R2	0.326	0.458
Residual S.E.	3.094 (df = 1054)	0.957 (df = 1059)
F Statistic	74.234*** (df = 7; 1054)	129.559*** (df = 7; 1059)
Note *p<0.1; **p<0.05; ***p<0.01 figures not in the bracket is beta and figure inside parenthesis standard error		

Regression analysis is not a tool or statistical technique to explain causation. It allowed the assessment of the multiple variables in the given equation (Lamont 2021, 129–31);<sup>22</sup> the R square indicated the explanatory power of predictors on the outcome variable. Model 1 and 2 R square are 0.165 and 0.261, respectively. R square is ranged between 0 to 1; the higher the R square better the explanatory power. On Model 3 and 4, R square is 0.330 and 0.46. All the four model P-value is <.001, indicating a relationship between liberalism and neo-liberalism. In model 1, political rights are not established statistically significant with

<sup>22</sup> Lamont, Christopher. 2021. *Research Methods in International Relations*. SAGE

Tariff. However, it attained an expected negative relationship. Hence overall Analysis supported Hypothesis 1

## **5. Findings, Implications and Conclusions**

The study supported both the hypotheses, on regression analysis, interesting things are revealed, the political rights have a negative relationship with all the four indicators of neo-liberalism, this explaining that, when an increase in political rights, neo-liberalism declines. Many studies (Gane <sup>23</sup>2009), further many study (Girdwood 2007)<sup>24</sup> and (NIXON 2012)<sup>25</sup> conceptually supported the findings of the current study. All models showed civil liberties are positively related to all four indicators. While compared with the first two models, the last two models showed relatively better explanatory power through R square; this indicated neo-liberalism is very much manifested through financial openness and Freedom trade internationally compared with Tariff and non-tariff barriers. With the support of ANOVA, it is understood, Europe tops the score in both liberalism and non-liberalism and followed by America, Eurasia and Asia. The negative relationship between political rights and the rest of the dependent variables of neo-liberalism emphasized the trade-off between political rights and the economic empowerment of the state. Findings can provide critical thought on contemporary liberalization policy of the states; the study gave a warning message to policymakers not to stretch neo-liberalism beyond the saddle point where it disturb the fundamental rights of the political institutions. Region-wise, MENA and SSA need more improvement in all the indicators, on Tariff and Non-Tariff, Asia improving gradually. The world order is very much influenced by liberalism and neo-liberalism. The stability of states is determined by the interaction of the political and the economy and of the state. The trade-off between liberalism and neo-liberalism is needed to complement each other than devaluing the core value of liberalism.

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<sup>23</sup> Gane, Mike. 2009. "The Paradox of Neo-Liberalism." *Durkheimian Studies / Études Durkheimiennes* 15: 20–25. <https://www.jstor.org/stable/23866836>.

<sup>24</sup> Girdwood, John. 2007. "Reforming the World Bank: From Social-Liberalism to Neo-Liberalism." *Comparative Education* 43 (3): 413–31. <https://www.jstor.org/stable/29727843>.

<sup>25</sup> NIXON, ROB. 2012. "Neoliberalism, Genre, and 'The Tragedy of the Commons.'" *PMLA* 127 (3): 593–99. <https://www.jstor.org/stable/41616851>.

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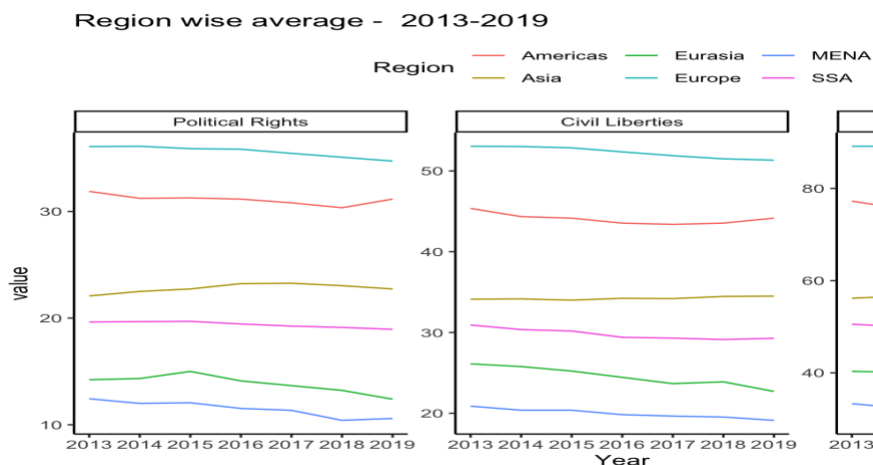
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## Annexure A Graph

### Graph



## Region wise average - 2013-2019

