

RESULTS BY SUB-INDICES

The tables may be interpreted both from top to down and from bottom to up. In the first approach economies are ranked from right to left, in the second – from left to right. Higher place of a country in the table means that its economy contains more rightness (self-regulation) and less leftness (governmental regulation). The developed countries are in colored boxes.



Public Finance Sub-Index

By Public Finance Sub-Index Singapore's economy (0.164) is the rightest one, and economy of France (0.983) the leftest one among all considered. Azerbaijan is almost on the mean point and near the median of Scale. The mean and median almost coincide. It indicates the approximate numerical equality of the countries on both sides of the mean.



Social Expenditures Sub-Index

By Social Expenditures Sub-Index Azerbaijan is located on the further right point. New Zealand, although on the whole having right-wing economy, is on the farther left point. The mean is leftier than the geometric center, and the median – still leftier.

On the Scale by Social Expenditures Sub-Index, unlike by other sub-indices, far-right point does not show the absence of governmental intervention in the economy, but indicates the smallest share of budgetary expenditures on social programs. Since there is not a country with completely missing budgetary social expenditures, no economy can occupy the extreme right (zero) point. That is why

Azerbaijan is placed somewhat to the left zero, though its economy currently is rather close to the right pole. Similarly, there are no countries that could take a very left point, since in this case the state budget expenditures would have to consist entirely of social spending.



Price Regulation Sub-Index

By Price Regulation Sub-Index New Zealand economy is the rightest one among the analyzed and Russian economy is the leftest. Price freedom in New Zealand is very close to the extreme right (zero) point. The mean is shifted from the geometric center to zero which indicated that by this sub-index the countries tend to the rightness. Besides Macedonia, the economies of all other new states formed after the disintegration of the Yugoslav Federation may well be described as left-wing economies. Azerbaijan's economy is on the median point, slightly righter the mean.



Foreign Trade Sub-Index

Regarding regulation of foreign trade, Singapore's economy is the most liberalist: its sub-index is equal to zero and is on the extreme right point. The economy of Russia is the most leftist economy. The fourth country is Azerbaijan where foreign trade operations are regulated most strictly, that is, the foreign trade in most of the ranked countries is more liberal than the mean point.



Licensing Sub-Index

Country ranking by Licensing Sub-Index clearly demonstrates the relativity of leftness-rightness of economy. For example, Azerbaijan's economy looks as right-wing economy, but in fact is left-wing because is located to the right of only 7 and to the left of 29 countries. Naturally, it is located lefter than both the mean and the median. Even a cursory analysis reveals that reforms to reduce the time and costs spent by companies to obtain permits and approvals are very important in Azerbaijan.



Employment Regulation Sub-Index

Regarding regulation of labor relations between employer and employee the US economy, which is located on the extreme right point, is the most liberal among the countries analyzed and Swedish economy is the leftest. France, Croatia and Germany, as well as Sweden, attach higher importance to the protection of the employees' social rights, and "in return" rather severely limit the freedom of companies. Australia, Denmark, New Zealand and Georgia, on the contrary, provide in this area extensive rights to businesses "instead of" narrowing the rights of workers. On this sub-index Azerbaijan is among the liberal countries and its economy is much more to the right than both the mean and the median.



Minimum Wage Sub-Index

By Minimum Wage Sub-Index Singapore's economy received the absolute mark (zero) and is the rightest among the ranked countries. The five economies (of Denmark, Italy, Norway, Sweden and Cyprus) are conditionally placed on 0,080 point. The left pole is limited to 0.800 sub-index (New Zealand). Since both the left and right poles allowed to conventions, the analysis of the mean and the median, in comparison with the previous cases, has a smaller value. But these conventions

have no effect on the leftness-rightness of economies in relation to each other. The economy of Azerbaijan is located to the right both the mean and the median.

In a number of economies, especially in the developed countries, the minimum wage, even being enshrined in law by the state, is subject for collective agreements. In these cases the agreed minimum, as may be expected, exceeds the statutory which is regarded as a kind of minimum limit of the minimum wage. Since the leftness-rightness of economy is defined by government interference, and to the same statutory minimum expresses the final lower limit, then legally approved figure is used in this study.