

# **POST-COMMUNIST AND COMMUNIST COUNTRIES 20 YEARS AFTER THE FALL OF COMMUNISM IN EUROPE**

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## **Main aspirations in the societies of the Communist countries at the end of the 1980s:**

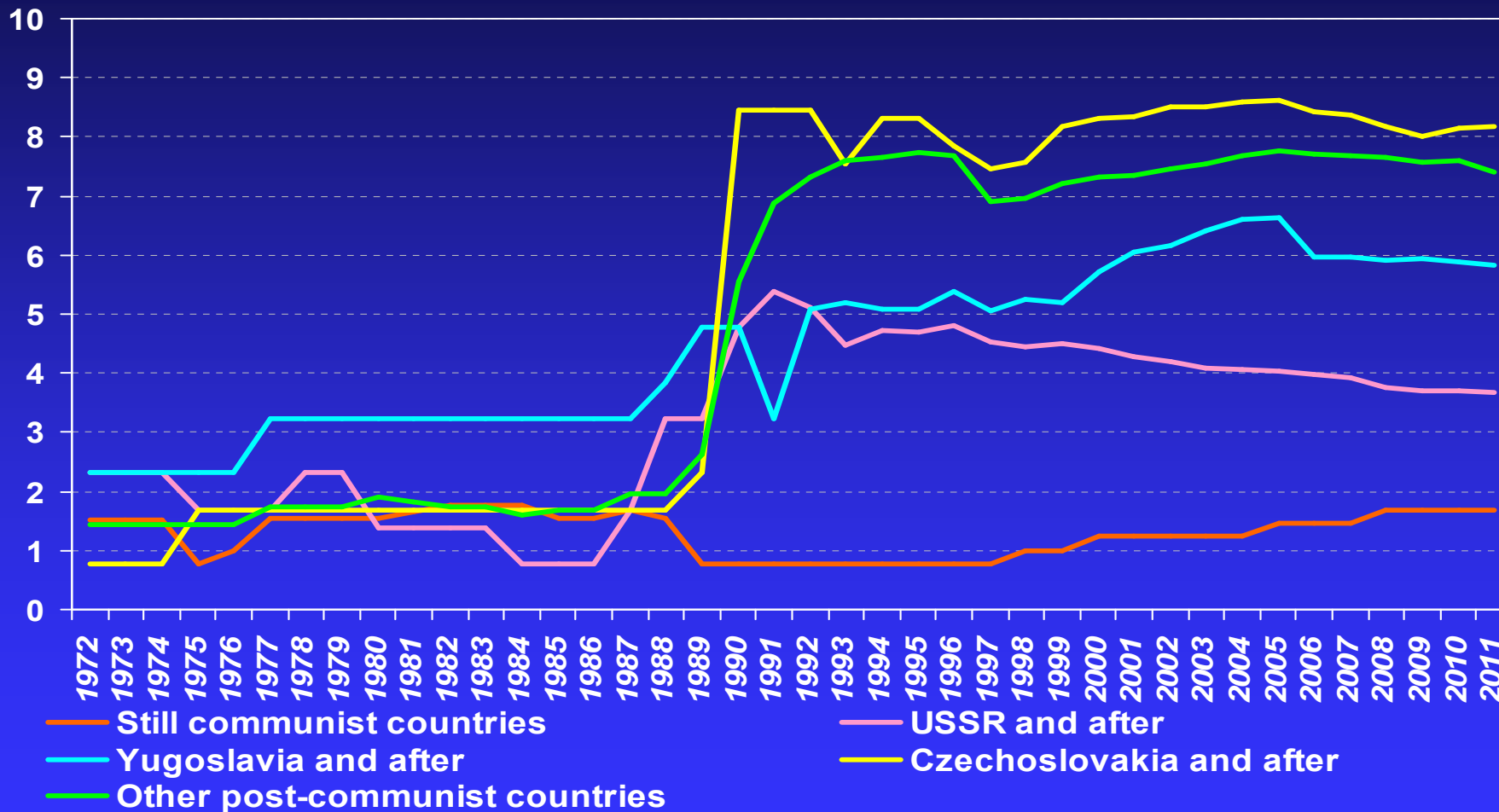
- **Personal Freedom**
- **Civil Freedom**
- **Economic Freedom**
- **Political Freedom**
- **National Freedom**
- **Prosperity**

# Transition from Communism along three main dimensions

Dimensions	Old Regime	New Regime
Political system	<b>Totalitarian/ Harsh Authoritarian</b>	<b>Democracy</b>
Economic system	<b>Centralized planned</b>	<b>Market</b>
Ethnic/national system	<b>Multi-ethnic Empire</b>	<b>National State</b>

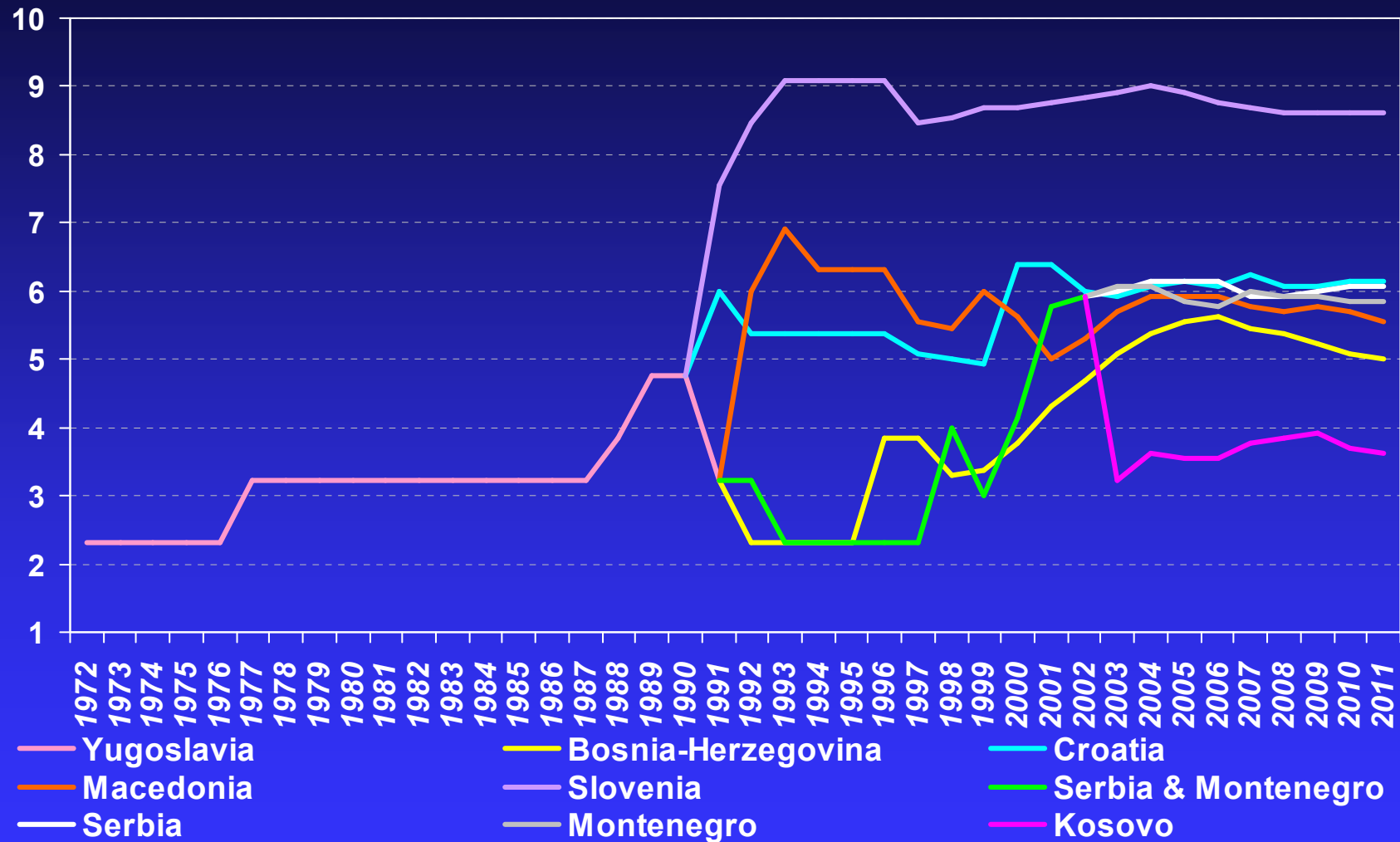
# Political Transformation

# Political Freedom Index in the Post-Communist and Communist countries (by their affiliation at the beginning of transformation)



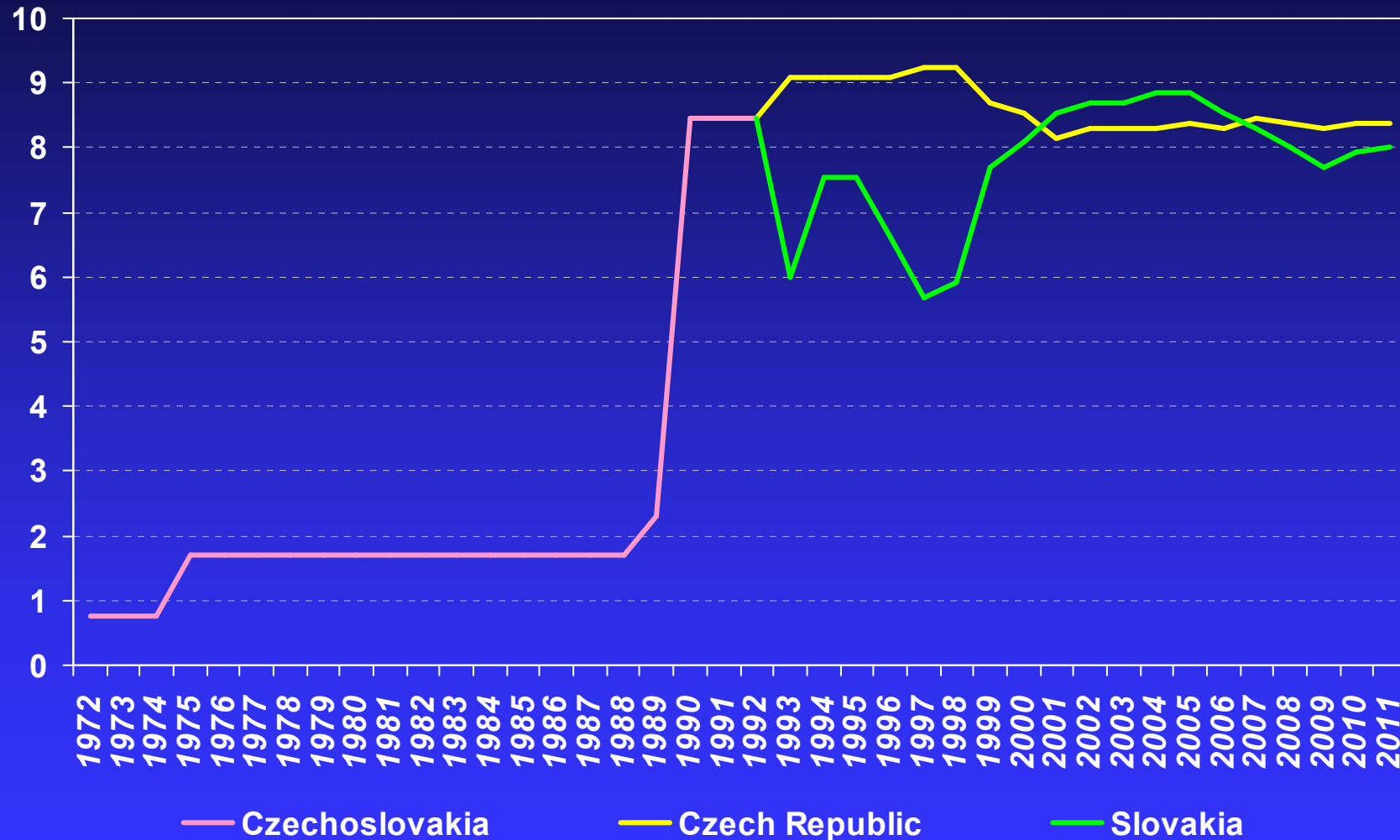
Source: Freedom House.

# Political Freedom Index in Yugoslavia and after



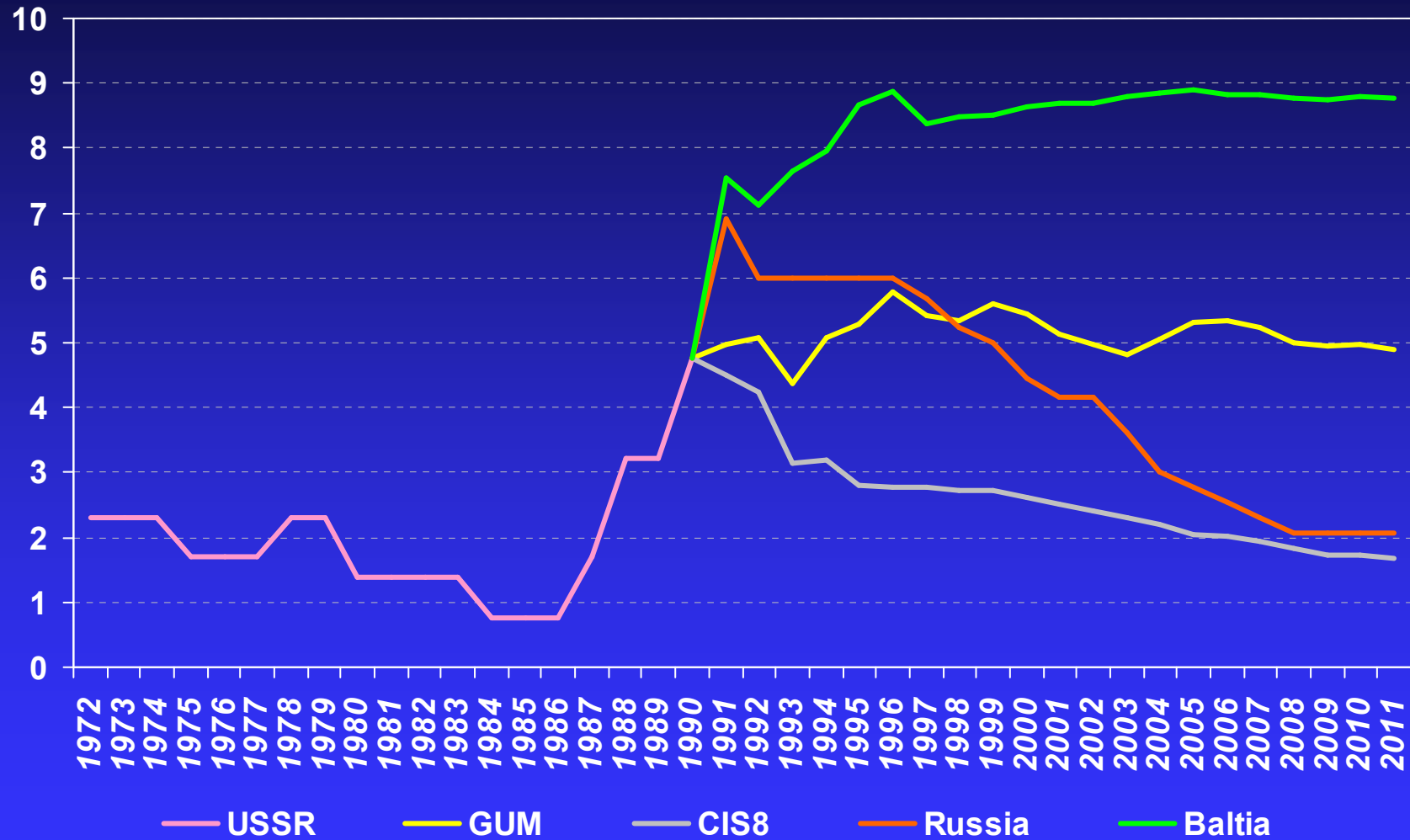
Source: Freedom House.

# Political Freedom Index in Czechoslovakia and after



Source: Freedom House.

# Political Freedom Index in the USSR and after



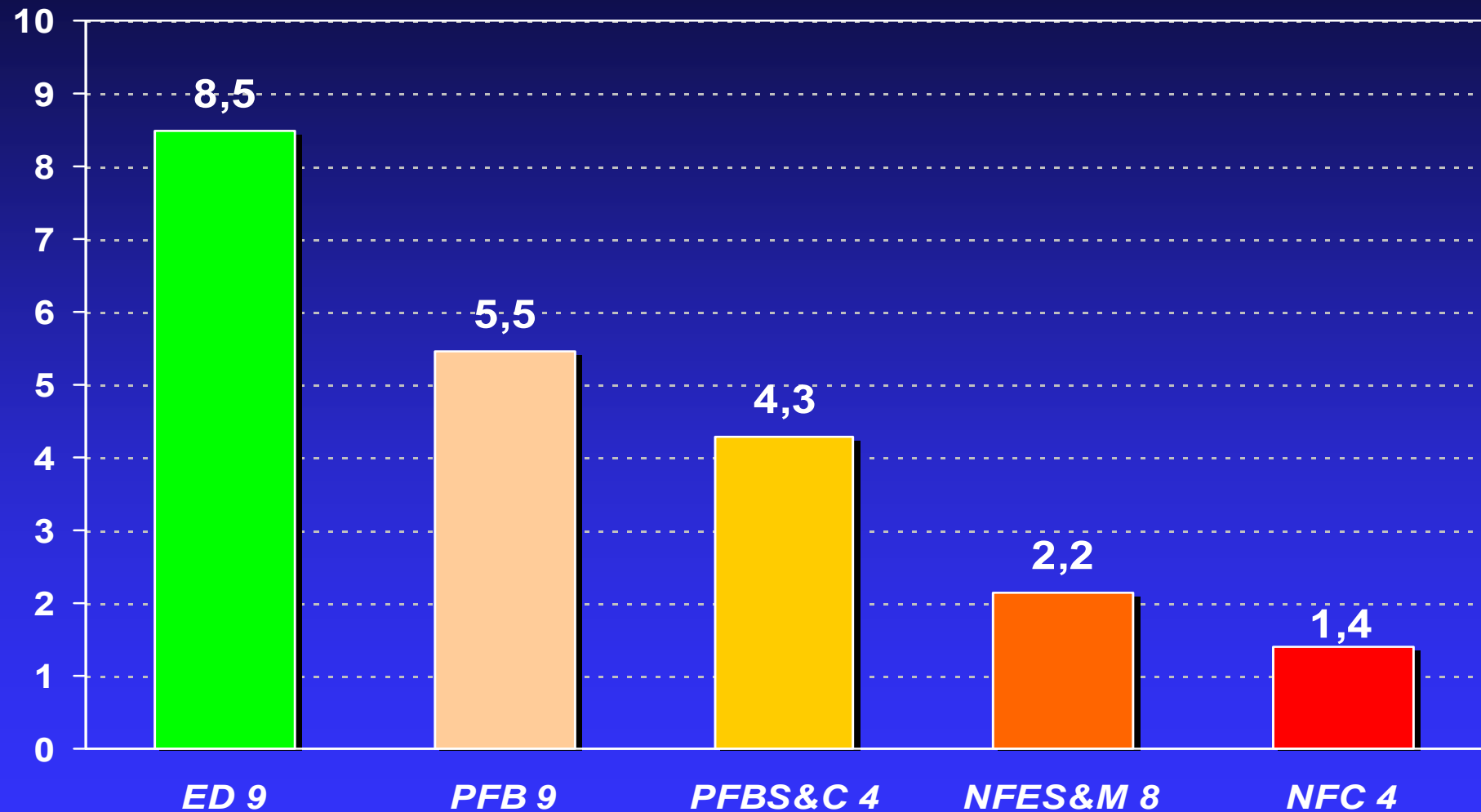
Source: Freedom House.



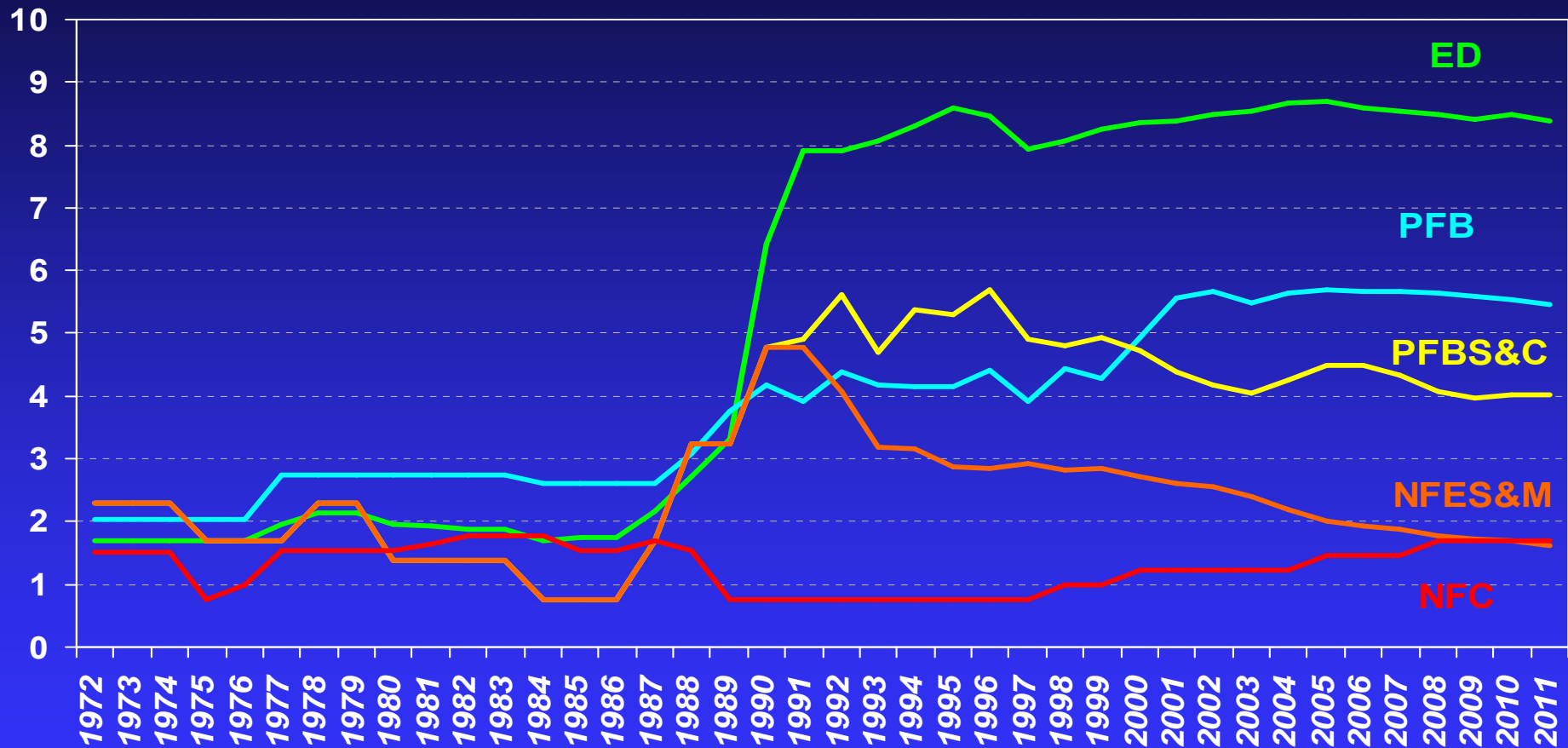
## Five groups of Post-Communist and Communist countries by Level of Political Freedom in 1999–2011

<b>Electoral Democracy</b>	<b>Partly Free: The Balkans</b>	<b>Partly Free: Black Sea &amp; Caucasus</b>	<b>Non Free: East Slavic &amp; Muslim</b>	<b>Still Communist</b>
Czech Republic	Albania	Armenia	Azerbaijan	China
Estonia	Bosnia and Herzegovina	Georgia	Belarus	Cuba
Hungary	Bulgaria	Moldova	Kazakhstan	North Korea
Latvia	Croatia	Ukraine	Kyrgyz Republic	Viet Nam
Lithuania	Kosovo		Russia	
Mongolia	Macedonia, FYR		Tajikistan	
Poland	Montenegro		Turkmenistan	
Slovak Republic	Romania		Uzbekistan	
Slovenia	Serbia			

## Political Freedom in the Post-Communist and Communist countries, average 1999–2011



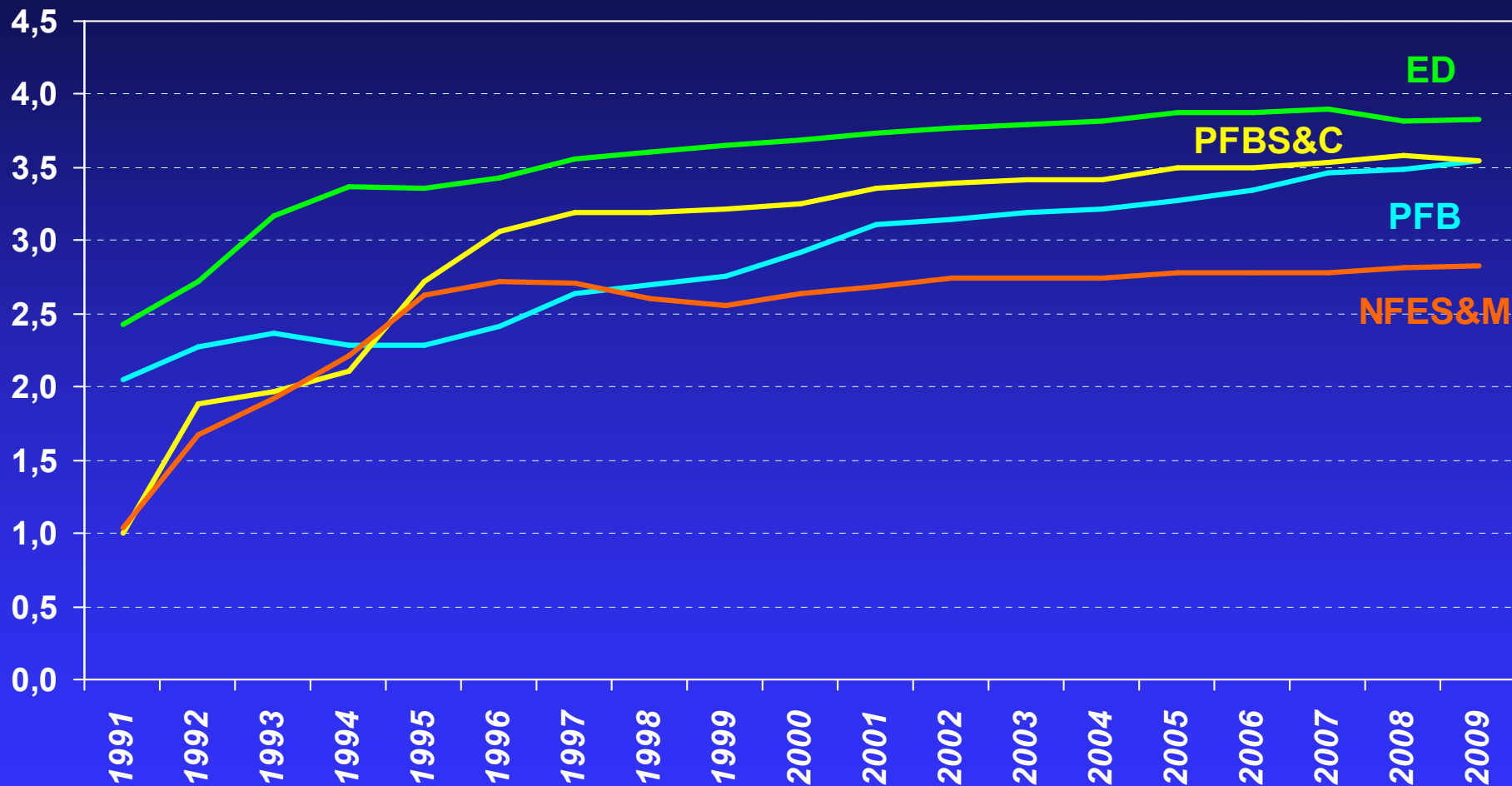
# Political Freedom Index in the 5 groups of Post-Communist and Communist countries (by the Level of Political Freedom in 1999–2011)



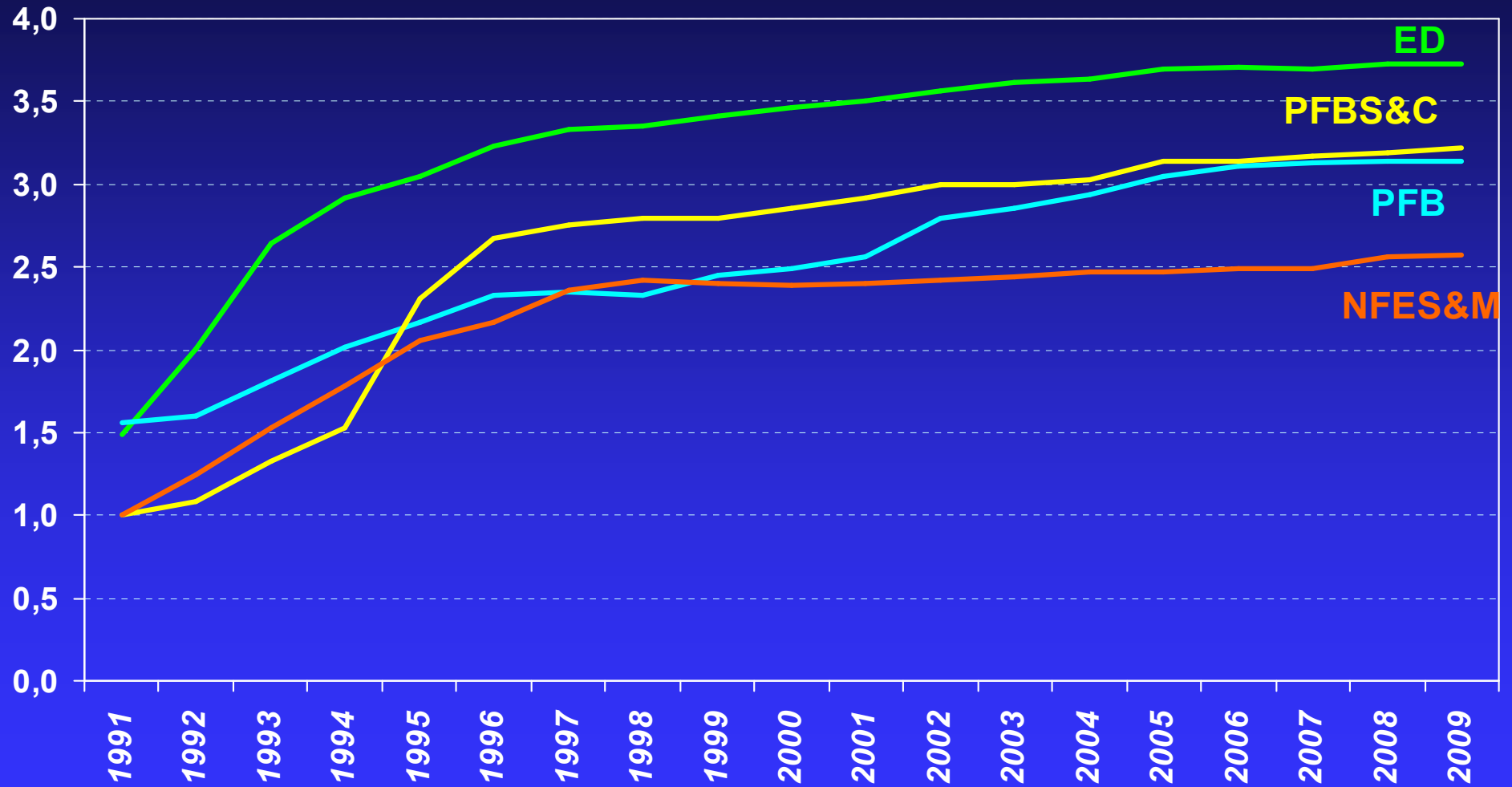
Source: IEA's calculations based on Freedom House data.

# **Economic Transformation**

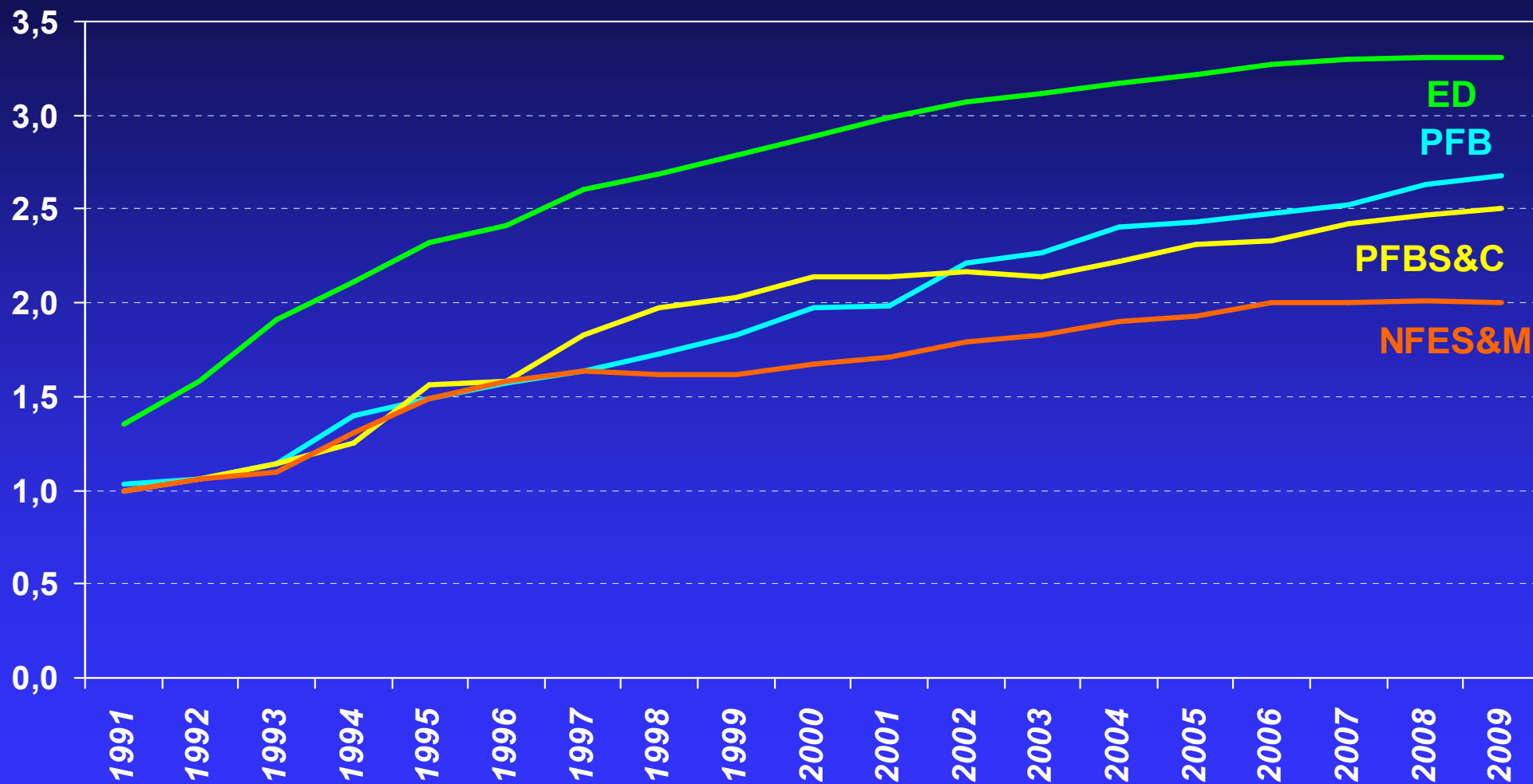
# World Bank/EBRD Liberalization Index



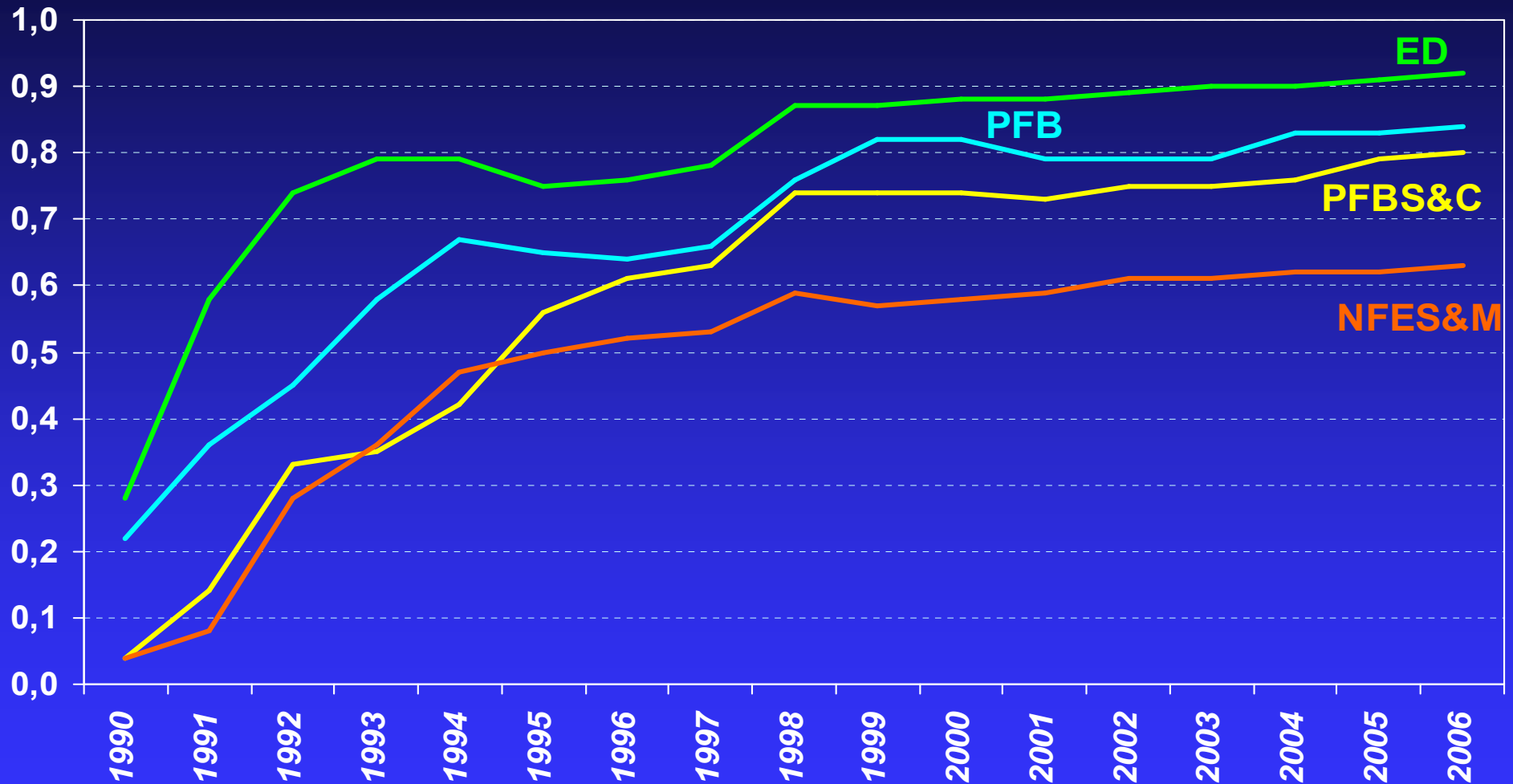
# World Bank/EBRD Privatization Index



# World Bank/EBRD Structural Reform Index



# World Bank/EBRD Overall Reform Index

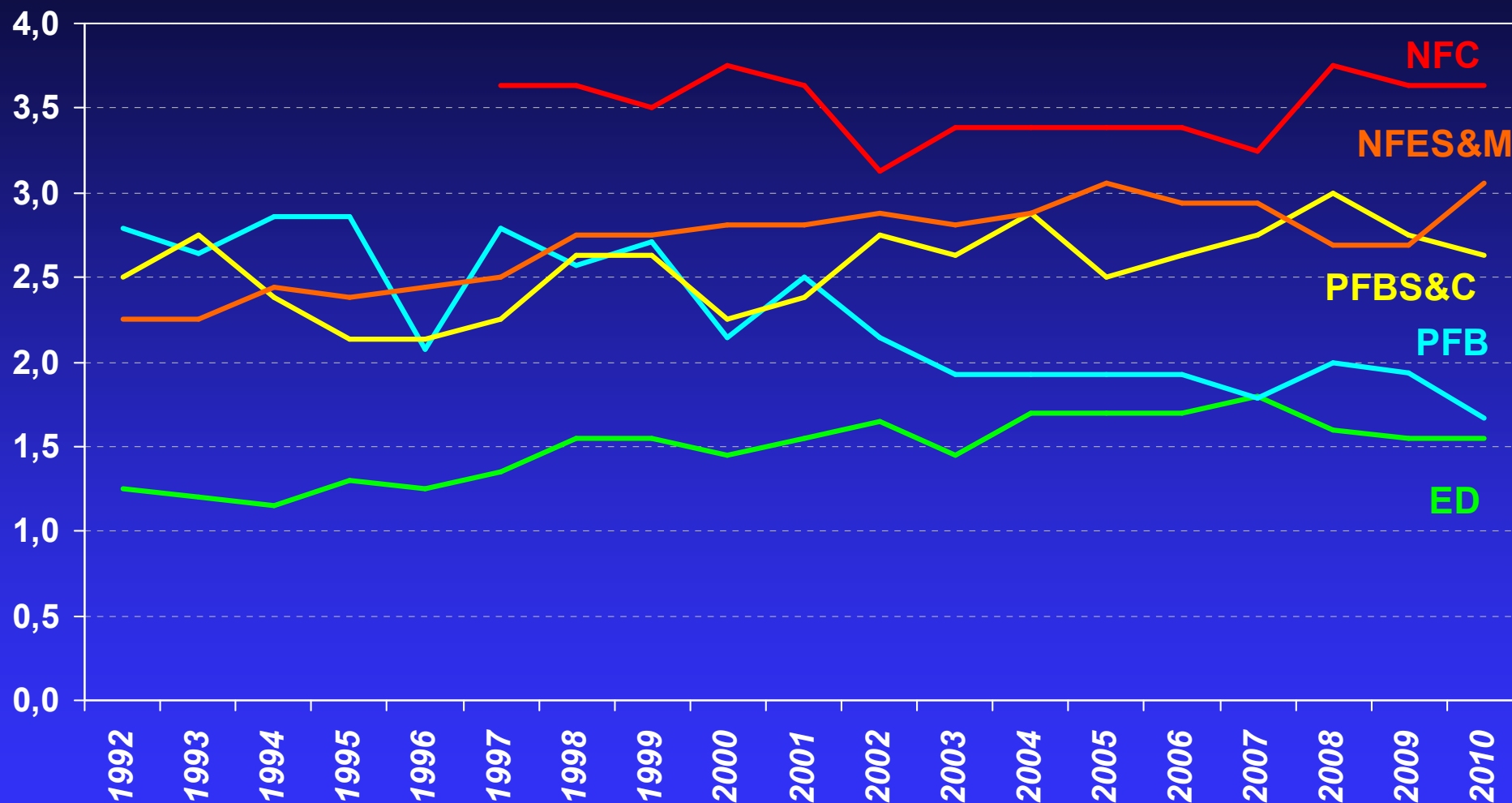


Source: IEA's calculations based on World Bank/EBRD data.

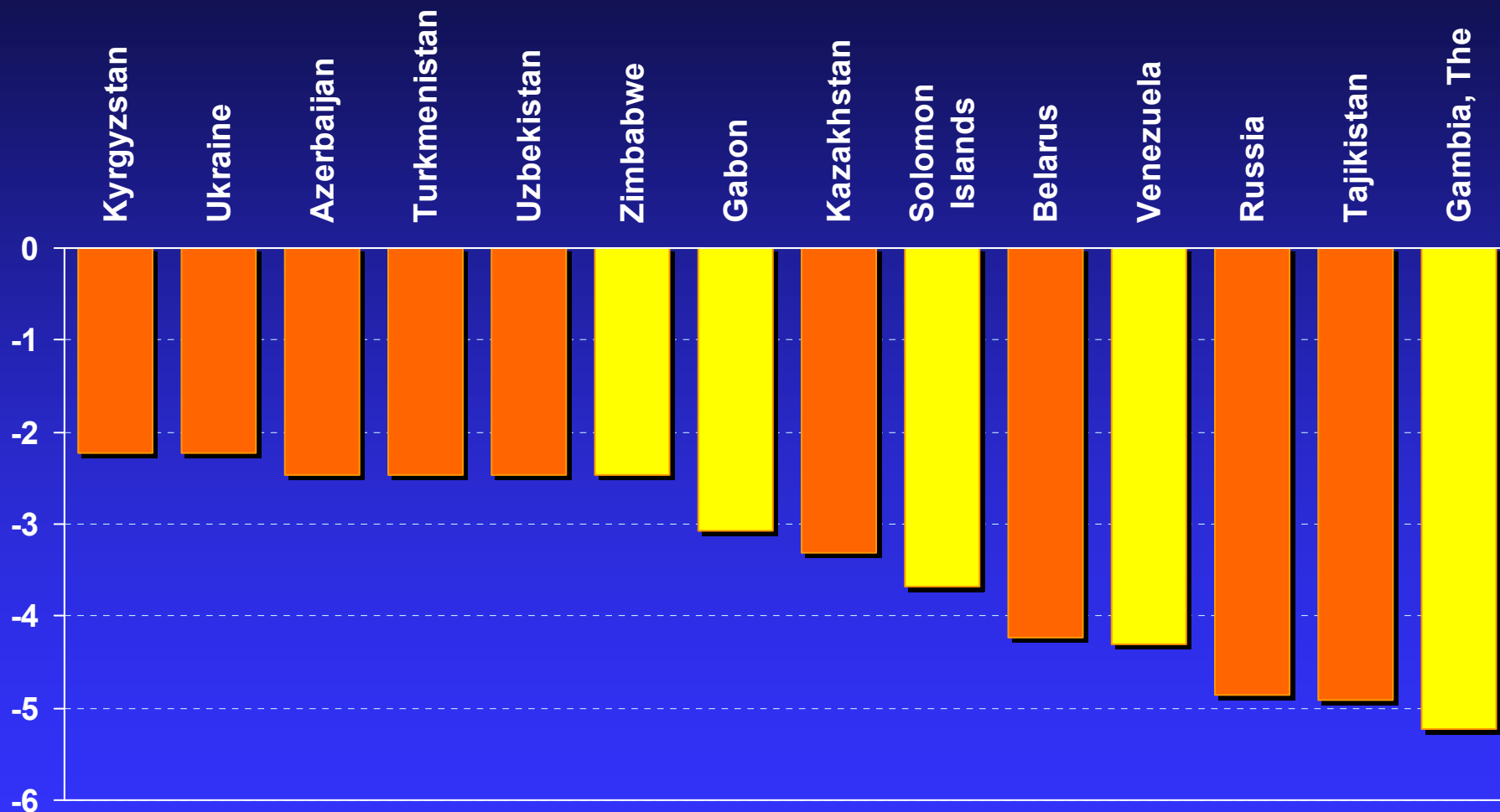


# Institutional Transformation

# Political Terror Scale, 1992-2010

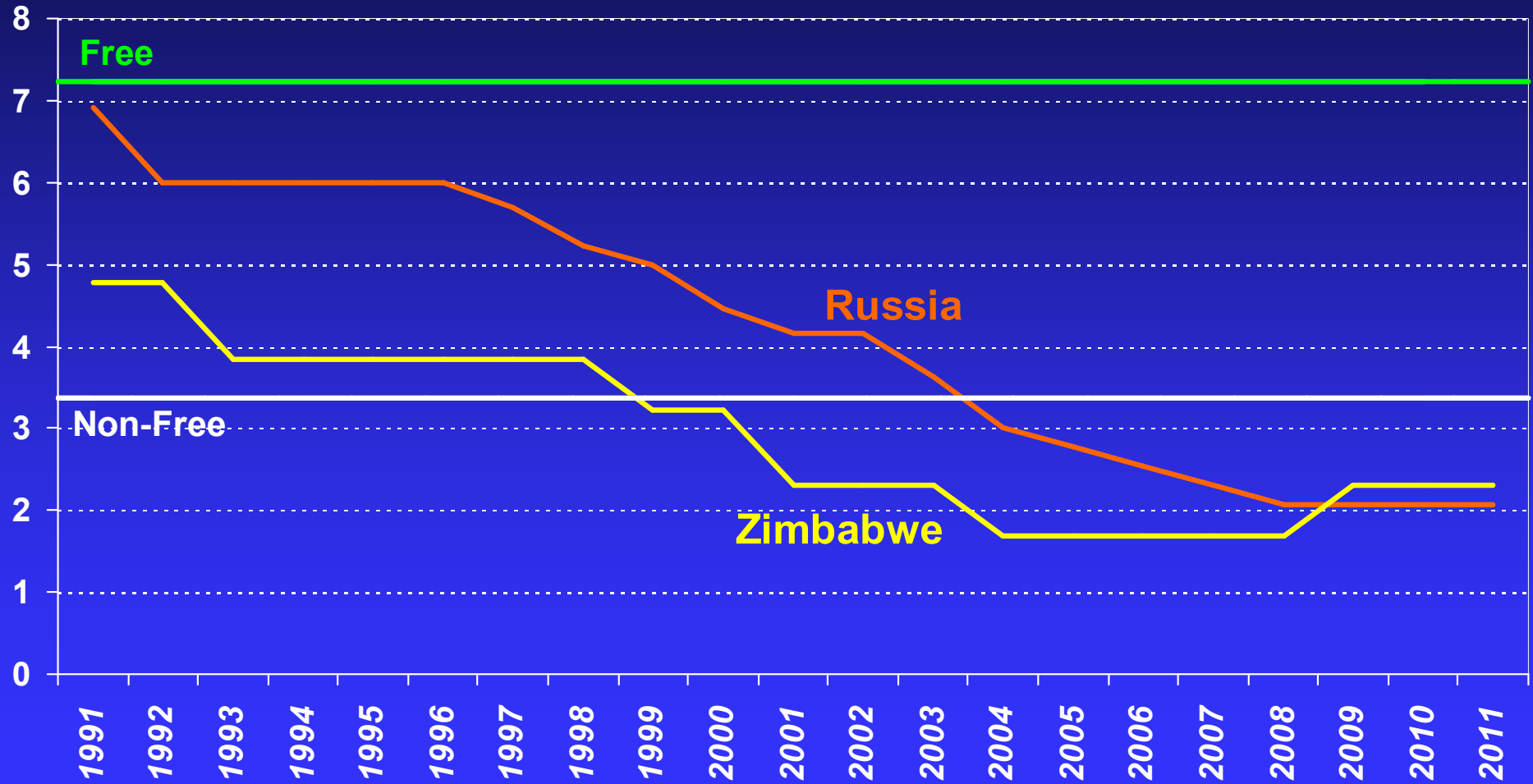


# Largest Decline in Political Freedom Index (9 Post-Communist countries among 14 worst ones out of 192), 1991–2011

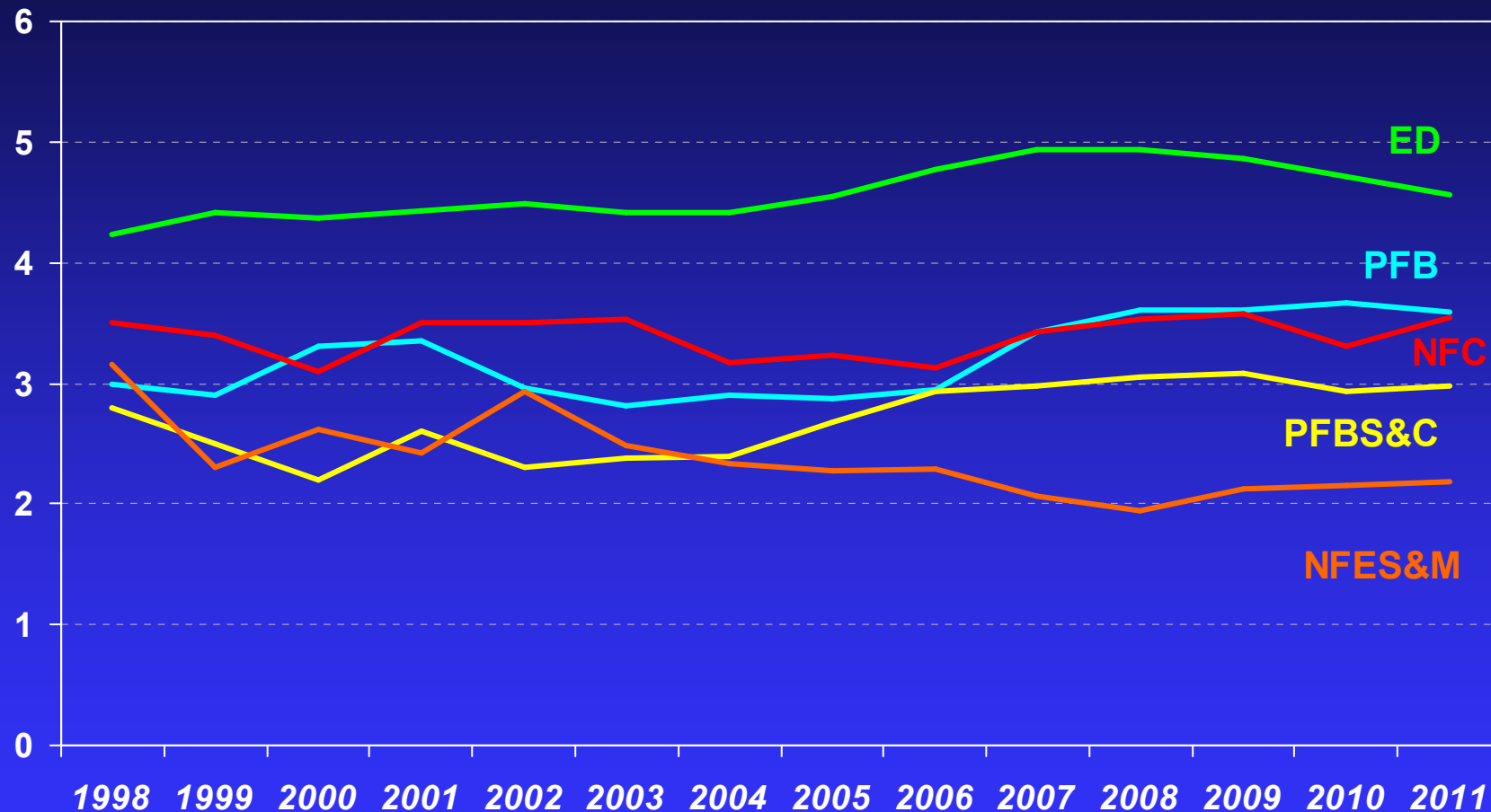


Source: IEA's calculations based on Freedom House data.

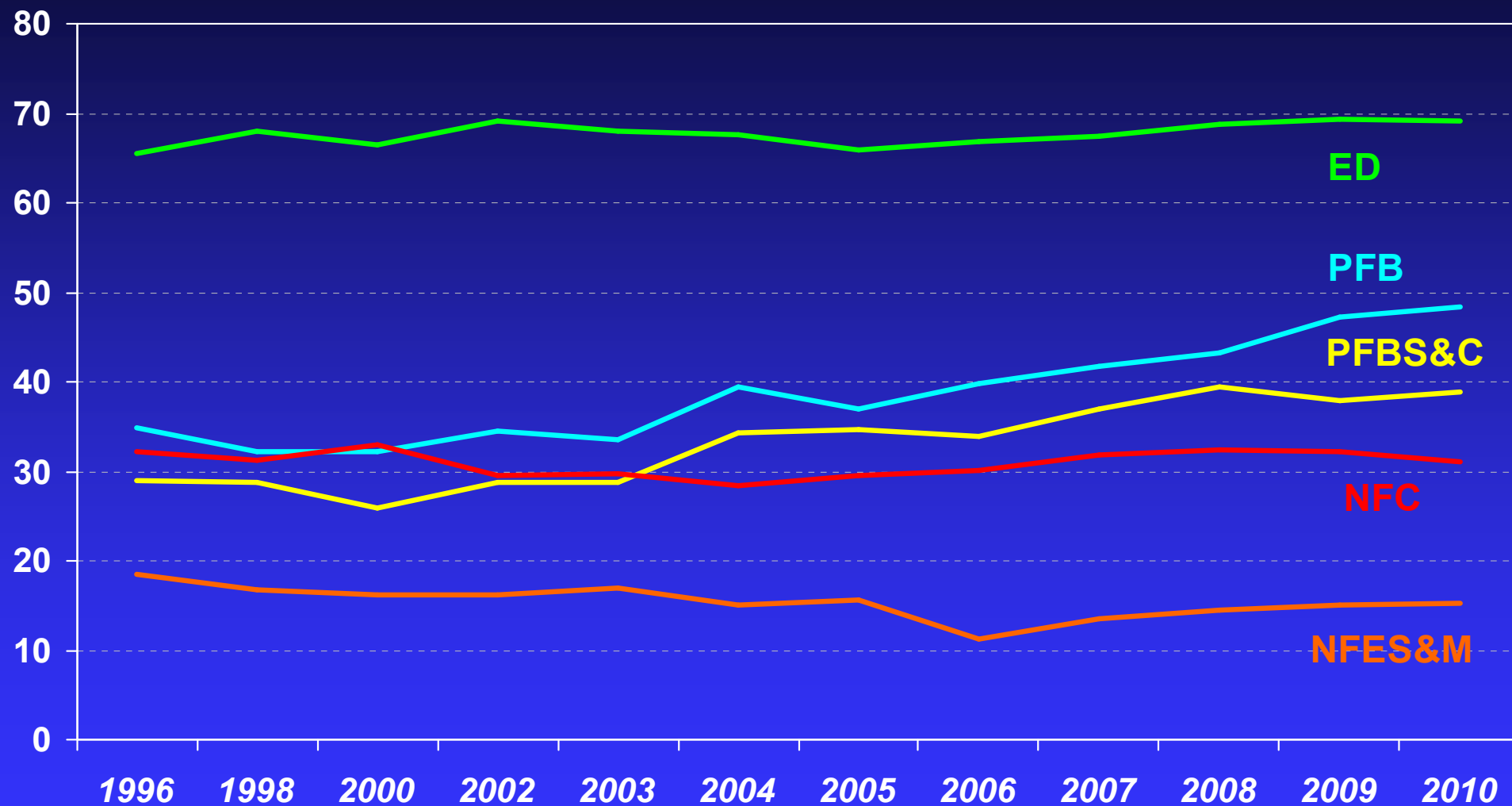
# Zimbabwean Disease that became the Russian one: Political Freedom in Zimbabwe and Russia, 1991–2011



# Transparency International Corruption Perceptions Index, 1998–2011

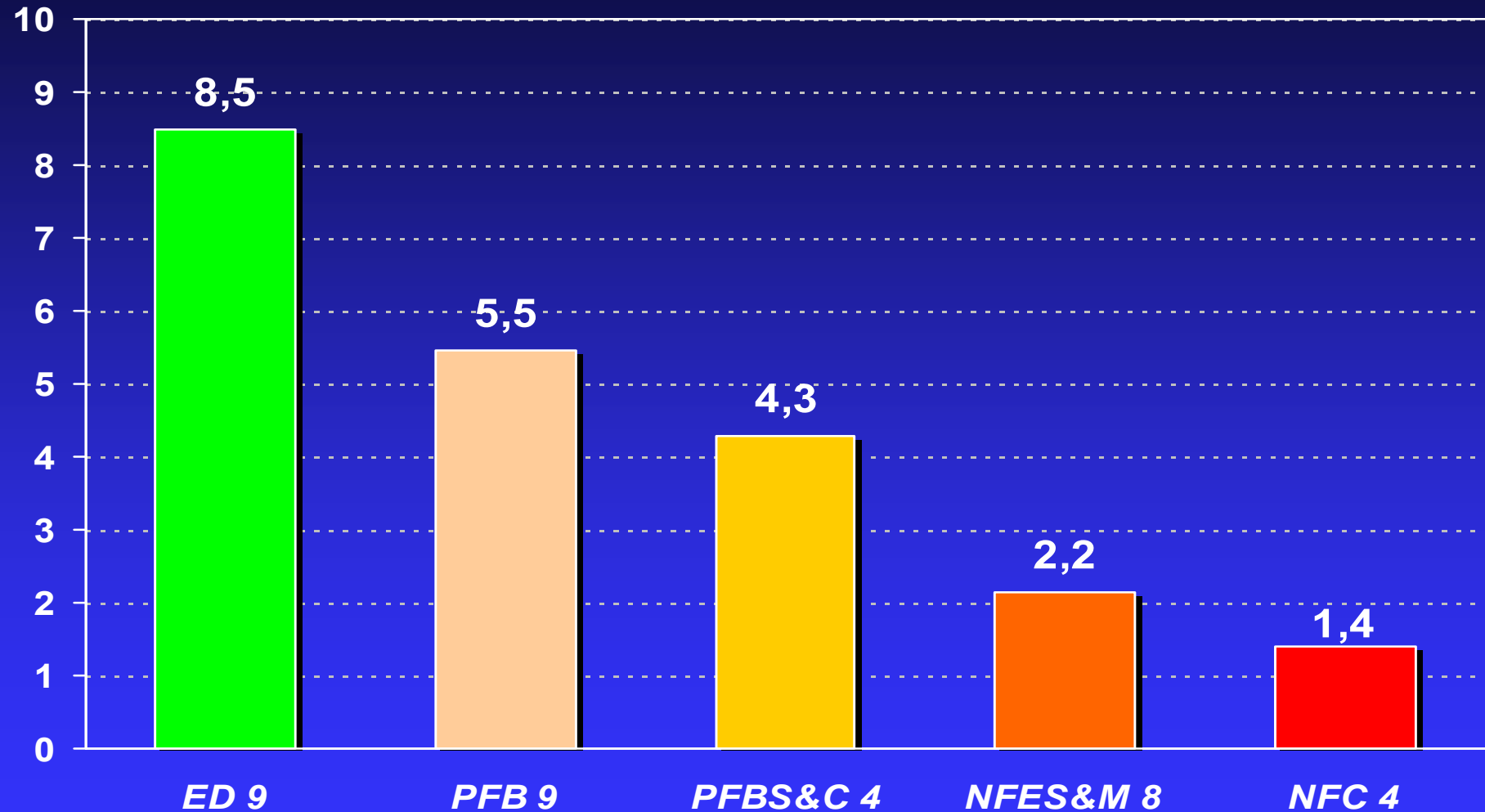


## Rule of Law indices, 1996–2010



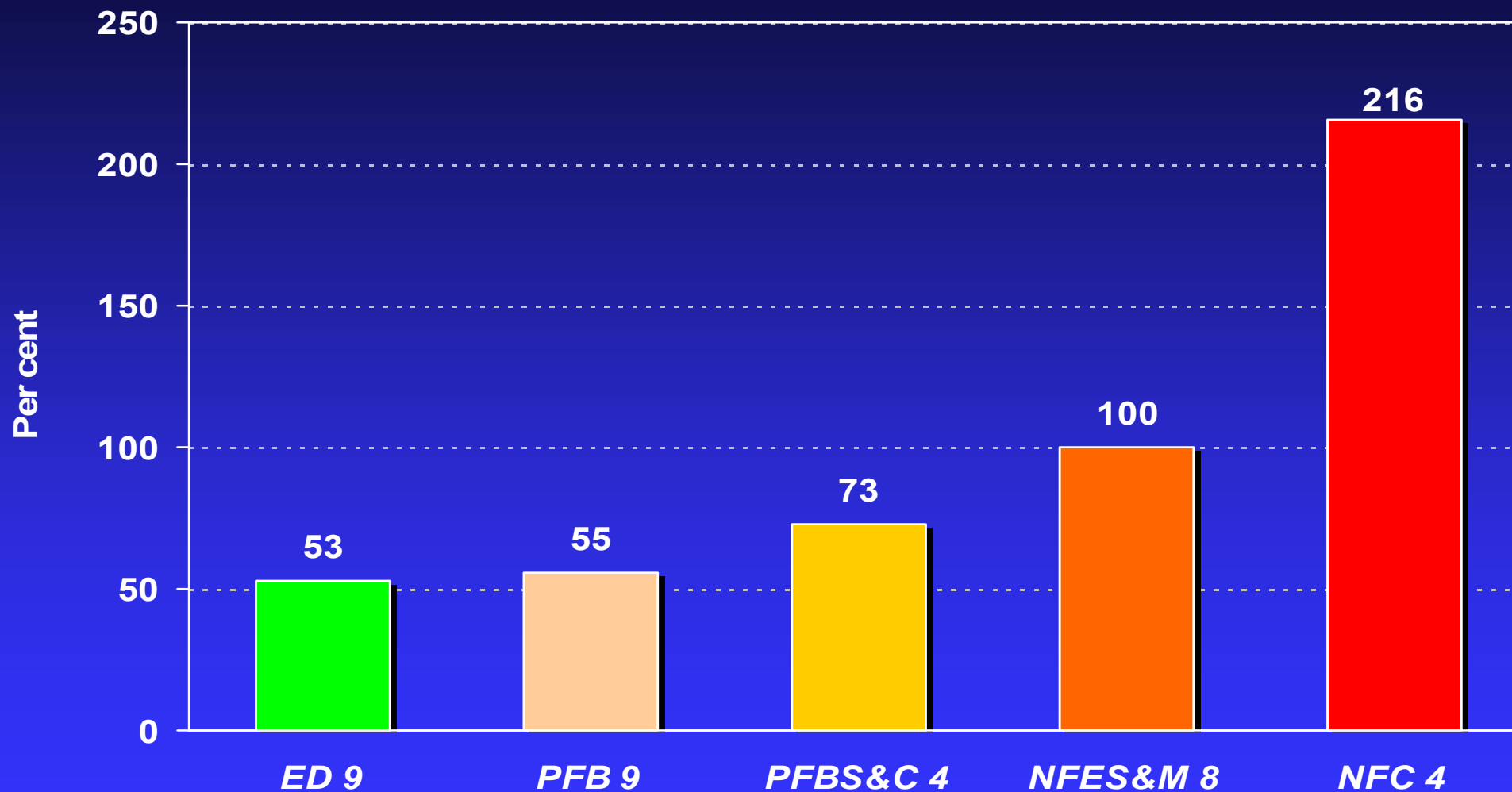
**The Greatest Puzzle of the Last Decade.**  
**Political Freedom and Economic Growth:**  
**Inverse Relation**

# Political Freedom in Post-Communist and Communist countries, 1999–2011

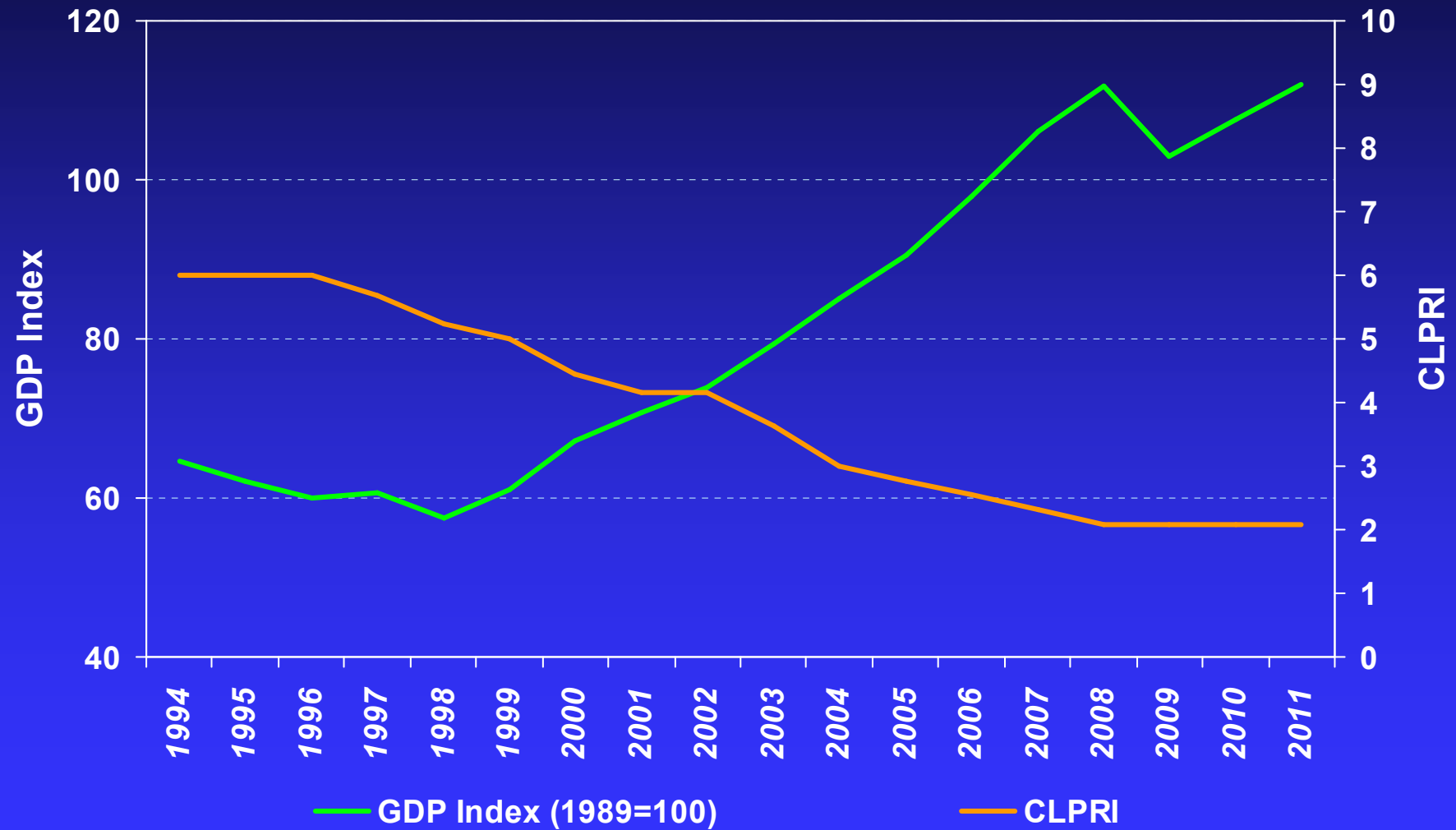




## Cumulative GDP Growth in Post-Communist and Communist countries, 1999–2011

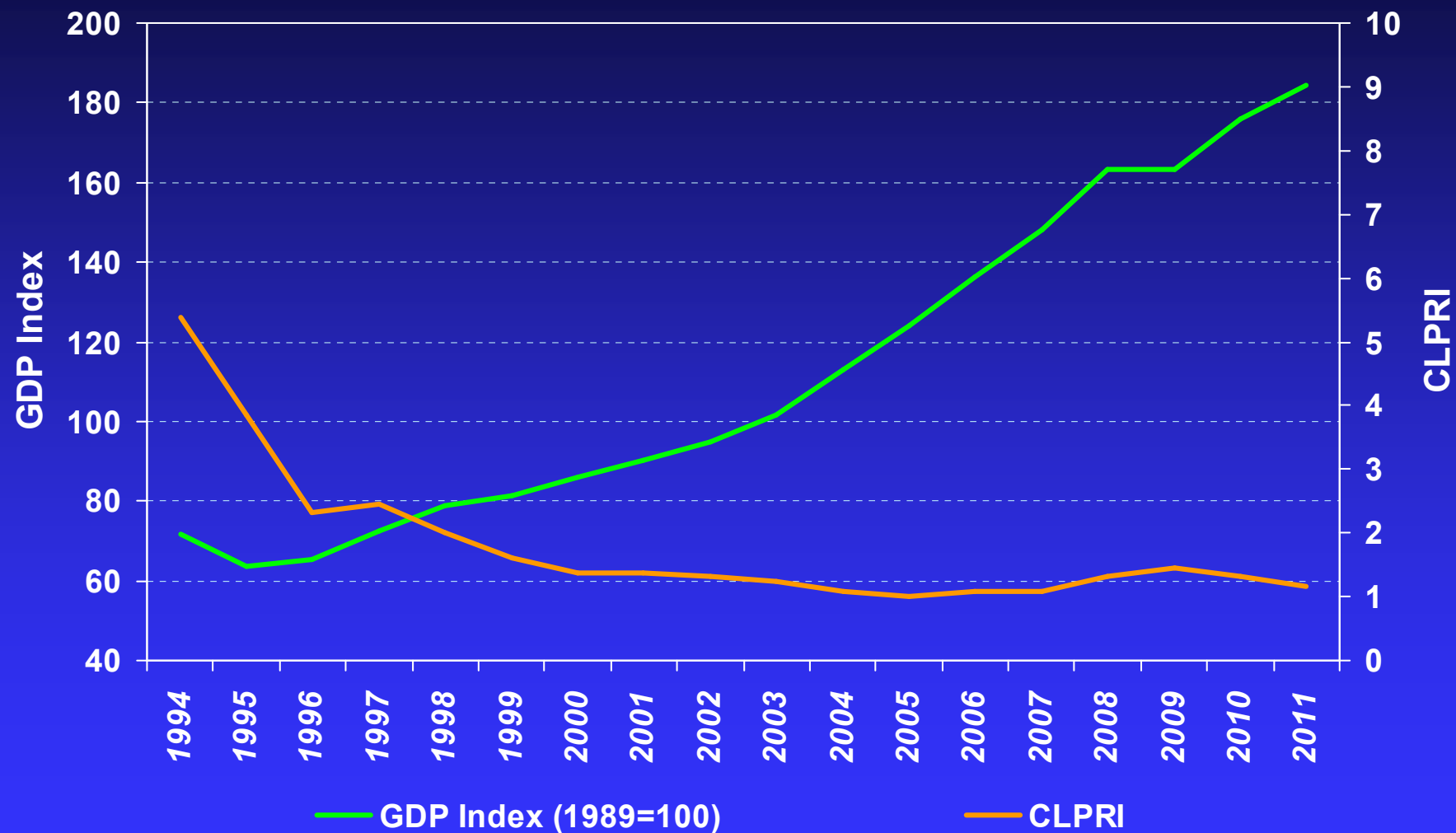


# Political Freedom decline and GDP growth in Russia, 1994-2011



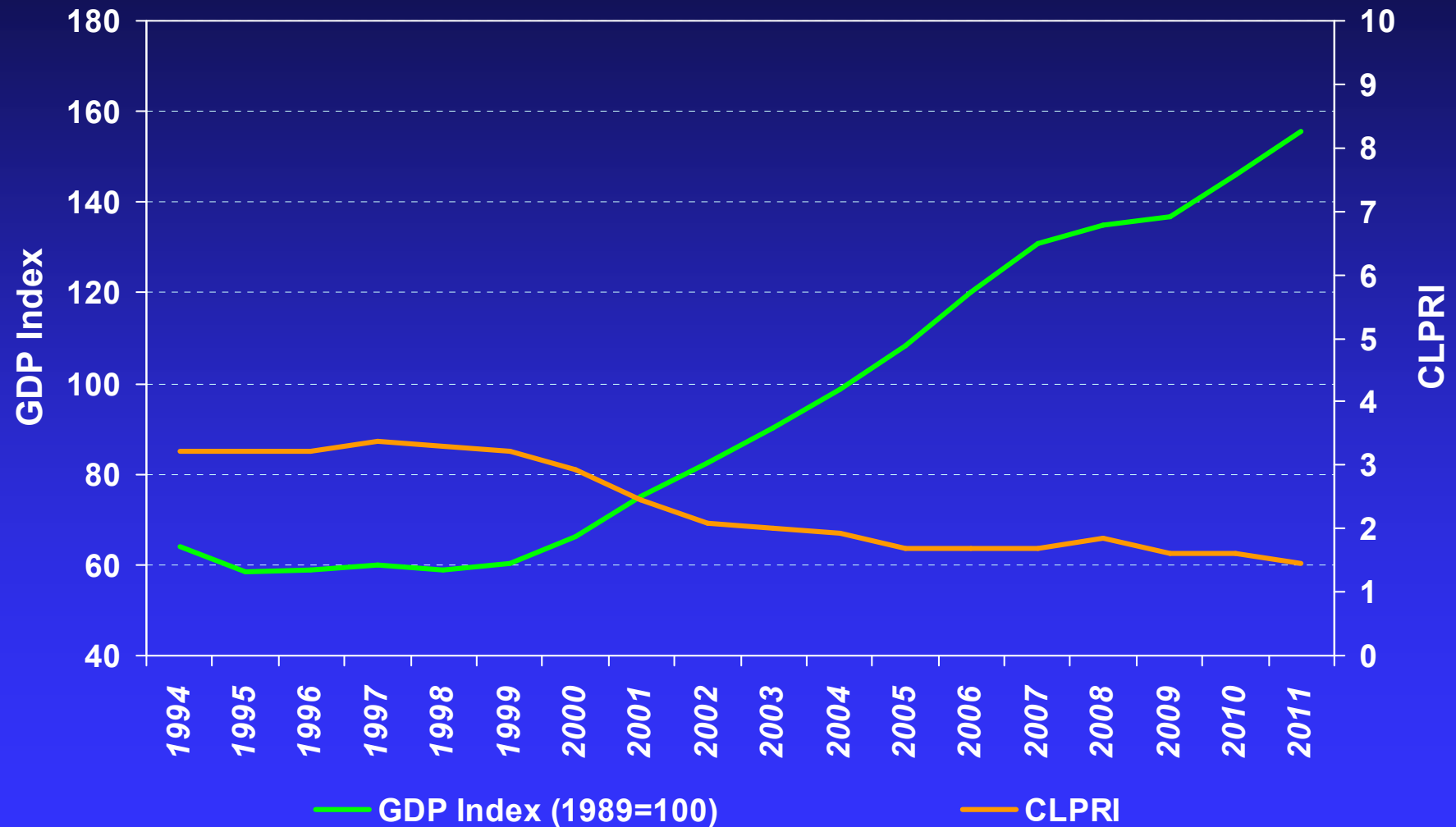
Source: IEA calculations based on Freedom House data.

# Political Freedom decline and GDP growth in Belarus, 1994–2011



Source: IEA calculations based on Freedom House data.

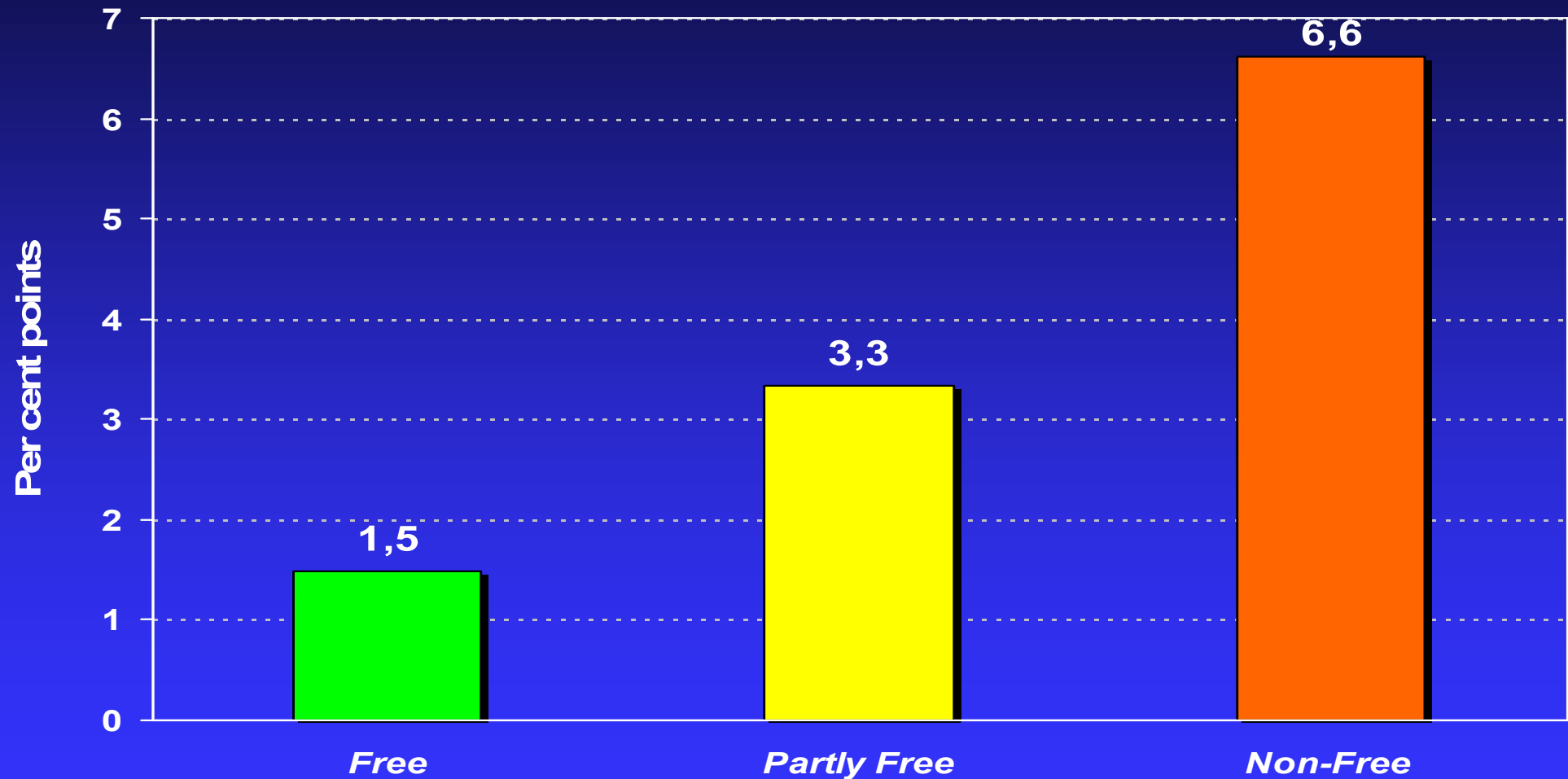
# Political Freedom decline and GDP growth in Kazakhstan, 1994–2011



Source: IEA calculations based on Freedom House data.

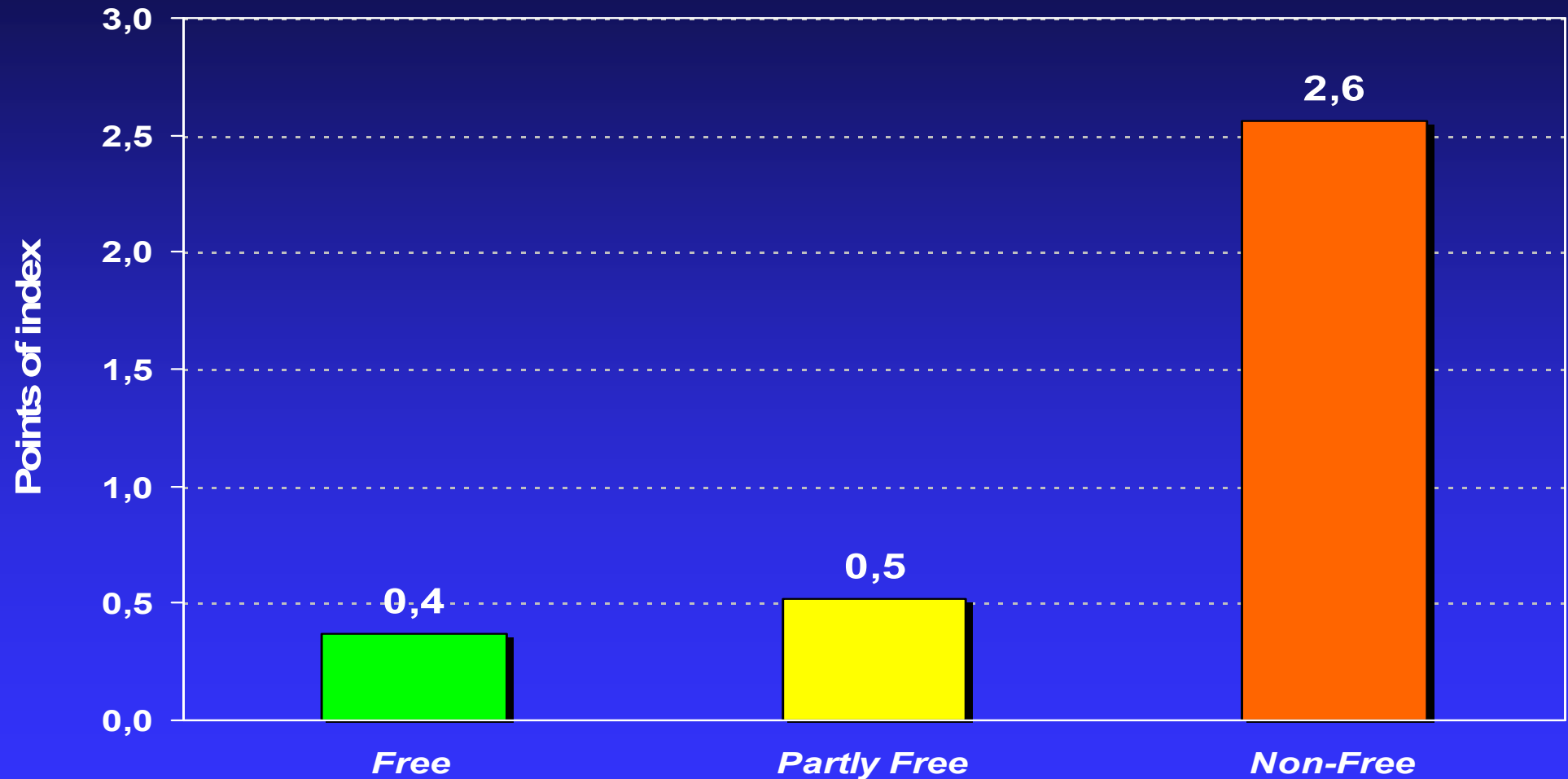
**How to explain  
the Great Puzzle of the Last Decade?**

# Political Freedom and Change in the Budget Balance, 2001–2010 vs. 1991–2000



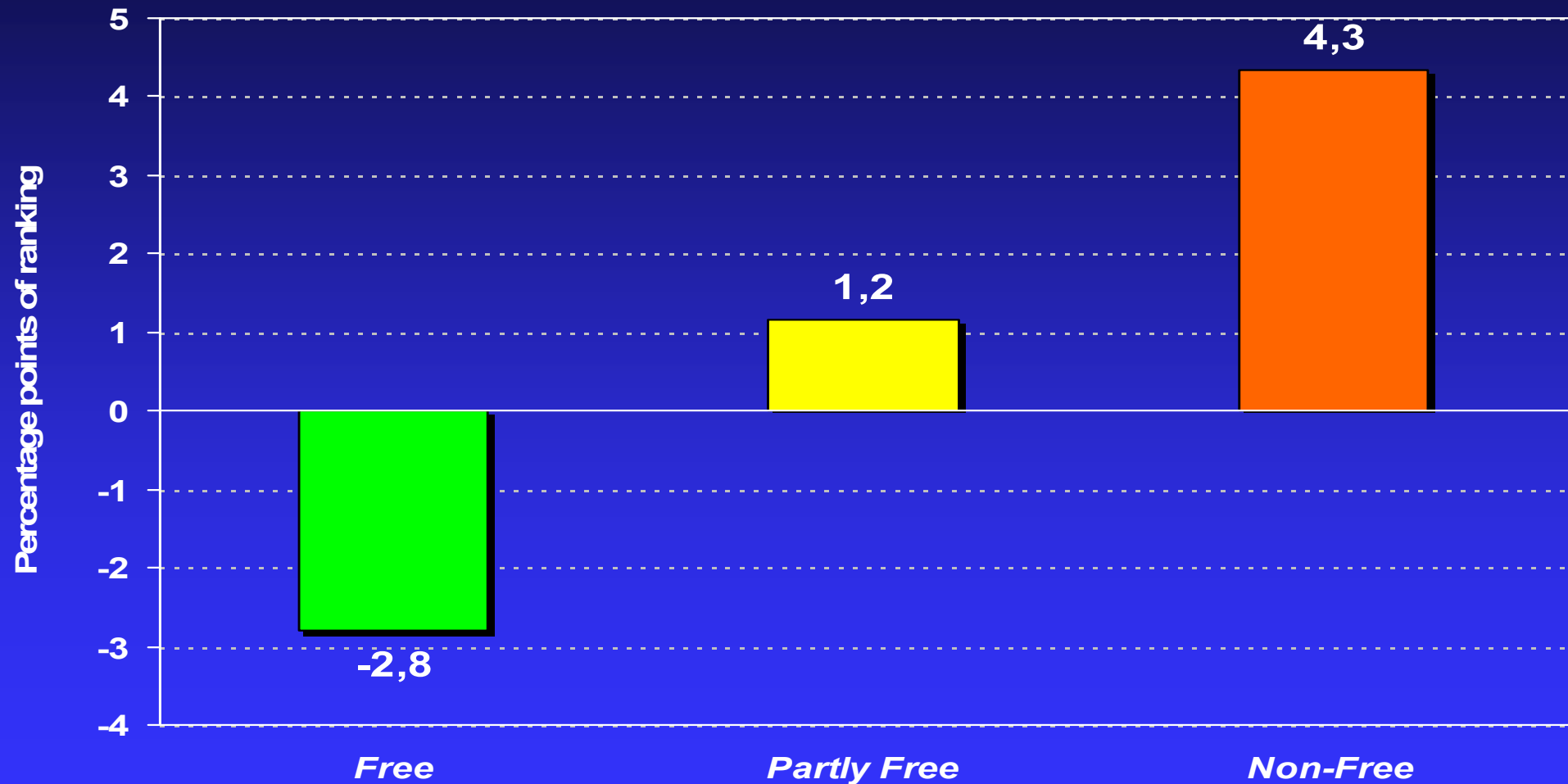
Source: IEA calculations based on Freedom House, World Bank data.

# Political Freedom and Change in the Economic Freedom Index, 2001–2010 vs. 1990–2000



Source: IEA calculations based on Freedom House, Fraser Institute data.

# Political Freedom and Change in the Ease of Doing Business Ranking, 2011 vs. 2006



Source: IEA calculations based on Freedom House, Doing Business Rank data.

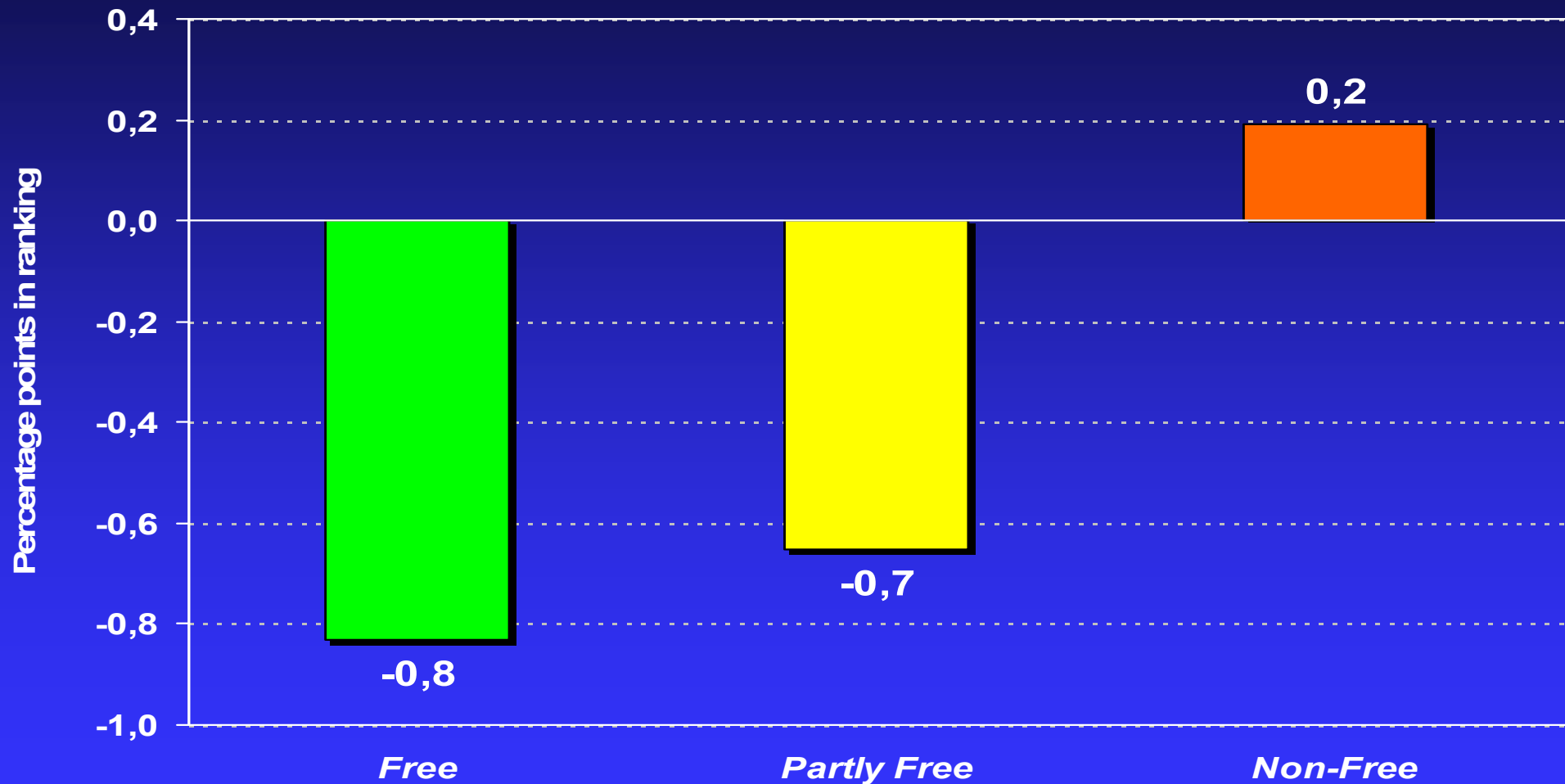


# Political Freedom and Change in the TI Corruption Perceptions Index in 2001–2009 vs. 1995–2000



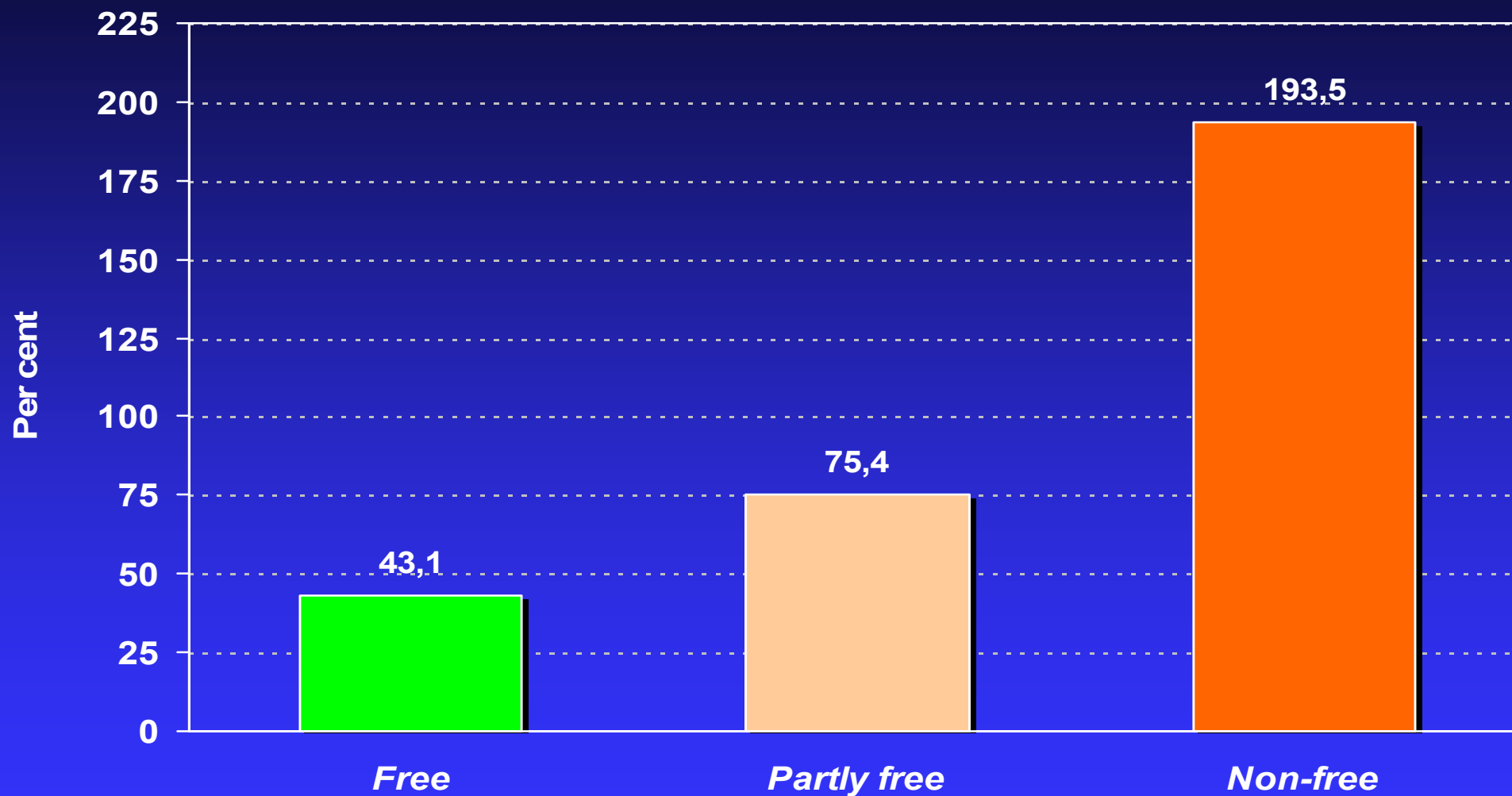
Source: IEA calculations based on Freedom House, Transparency International data.

# Political Freedom and Change in the Rule of Law Index in 2002–2010 vs. 1996–2000



Source: IEA calculations based on Freedom House, World Governance data.

## Cumulative GDP Growth in the World, 1999–2011



## World GDP Structure, %

