For Whom the Wall Fell?

How are the former Soviet Union and other Central and Eastern European nations faring?

- **Clear Failure (20%):** Countries that as of 2013 are still to reach the level of real income achieved back in 1990*
- **Relative Failure (40%):** Countries that grew more slowly than the average rich OECD countries (less than 1.7% per capita per year)
- **Keeping Up (10%):** Countries which have grown at or between 1.7 and 2% per capita – that are just about "keeping up" with the rich world.
- **Success (30%):** Countries that grew by at least 2% per annum per capita over the past 25 years

the Globalist

*as measured by real GDP per capita.

Source: World Bank World Development Indicators and Branko Milanovic

SOCIAL IMPACT OF TRANSITION

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Russian and East European Studies
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Research PUZZLE

- Sharply Polarized Perspectives on Transition
  - J-Curve
  - Disaster Capitalism
- Perspectives are Highly Politicized
- And Embedded in Different Disciplines
  - With different data, metrics, and results

- Can these Janus-Faced Perspectives be Reconciled?
- Is a Consensus Narrative Possible?
- How Would it Guide Policy for Future?

Research DESIGN

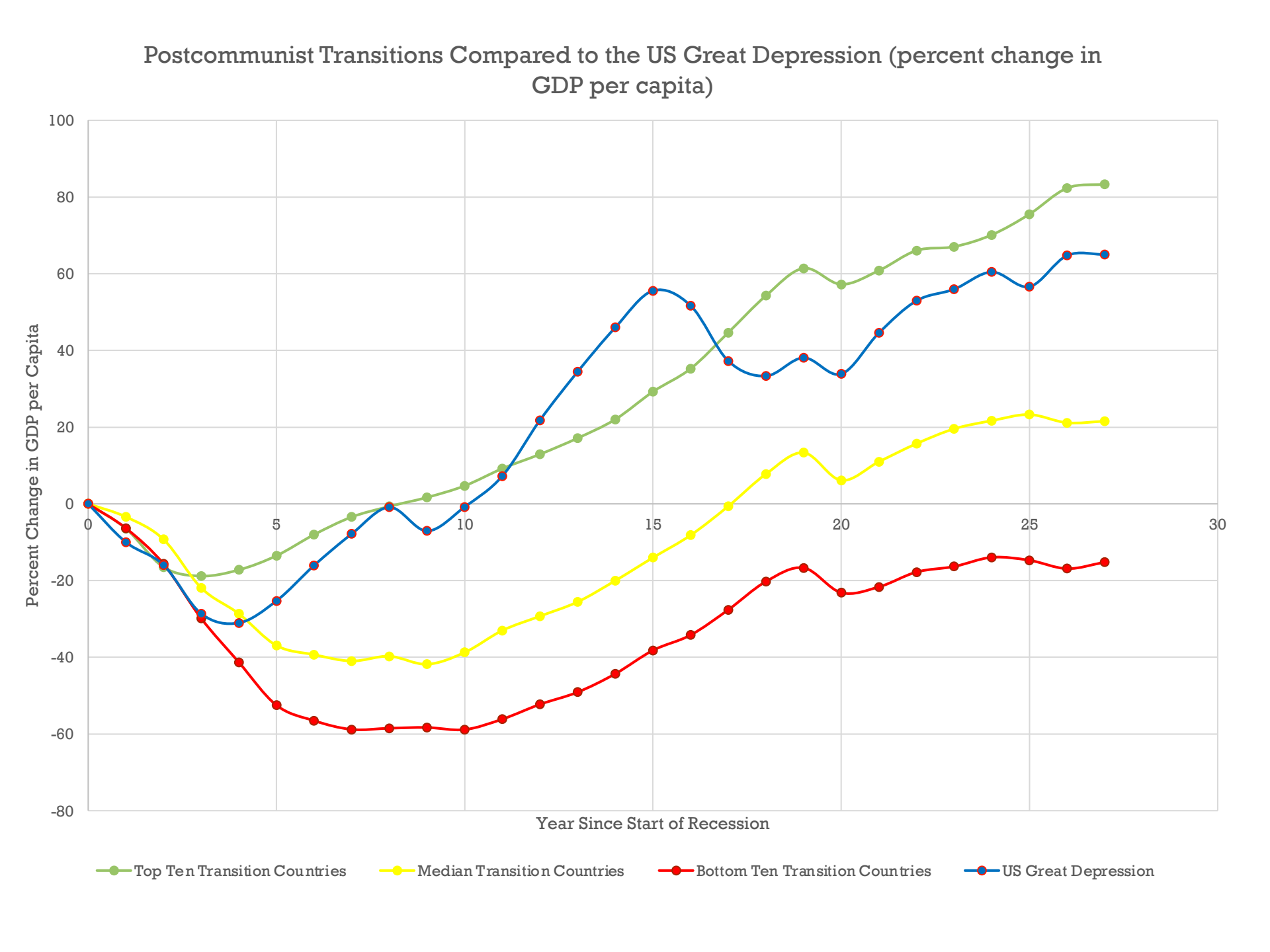
- Gather data from different social science fields
  - economic, demographic, public opinion, and ethnographic data
  - www.takingstockofshock.com
- Triangulate the results
- Fit a narrative

FINDINGS in a Nutshell

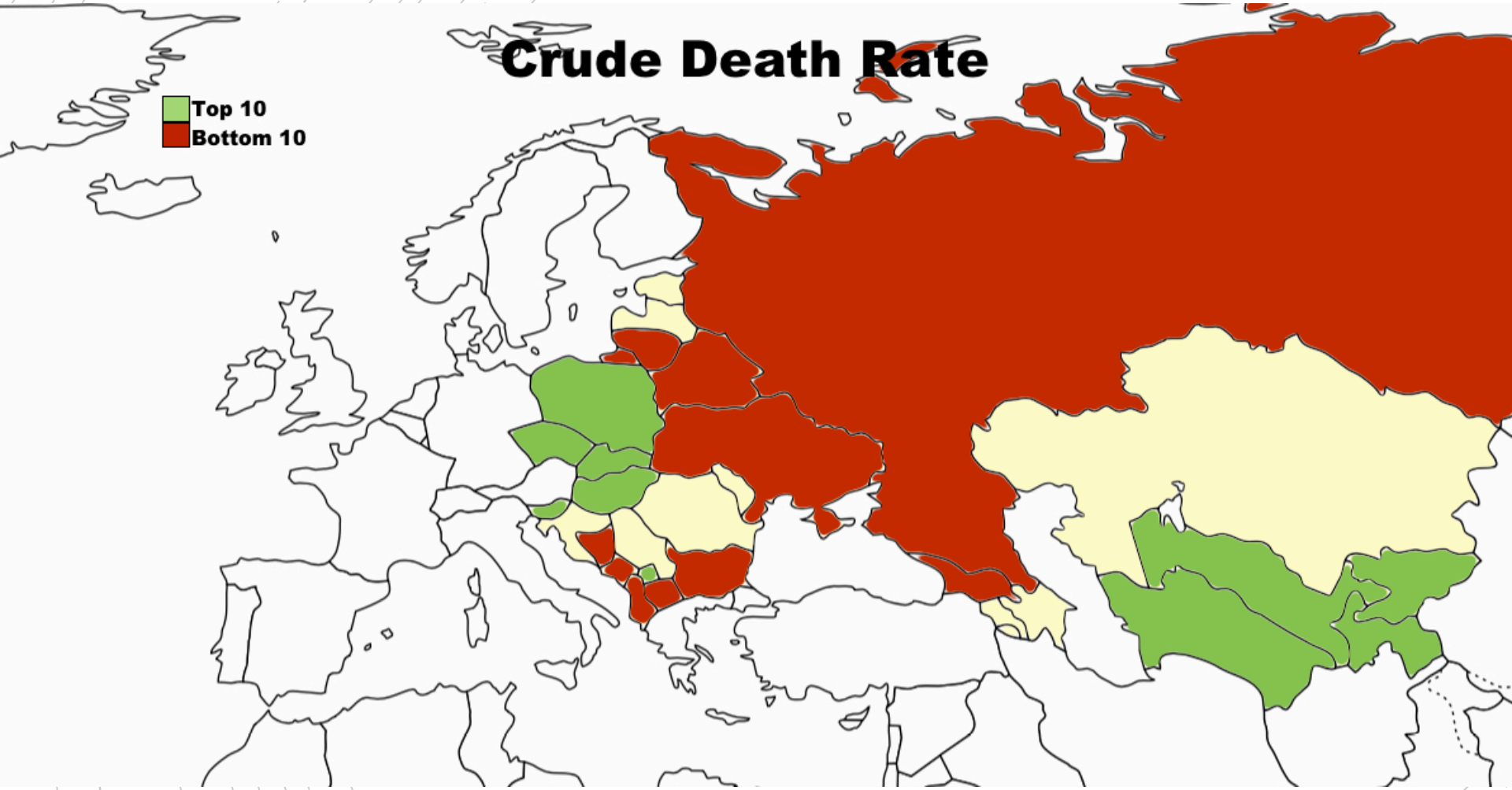
- We find strong evidence in the data for BOTH the J-curve and disaster capitalism narratives
- Data from different fields paints different pictures
- Contradictory Developments after 1989
  - Some people, some countries, some regions experience a J-curve transition
  - A majority of people across the post-communist European space experience a depression several times greater that the Great Depression of the 1930s
- Story of transition is millions of people becoming more prosperous while millions more are suffering the worst recession in modern history, while being told everything is going great.

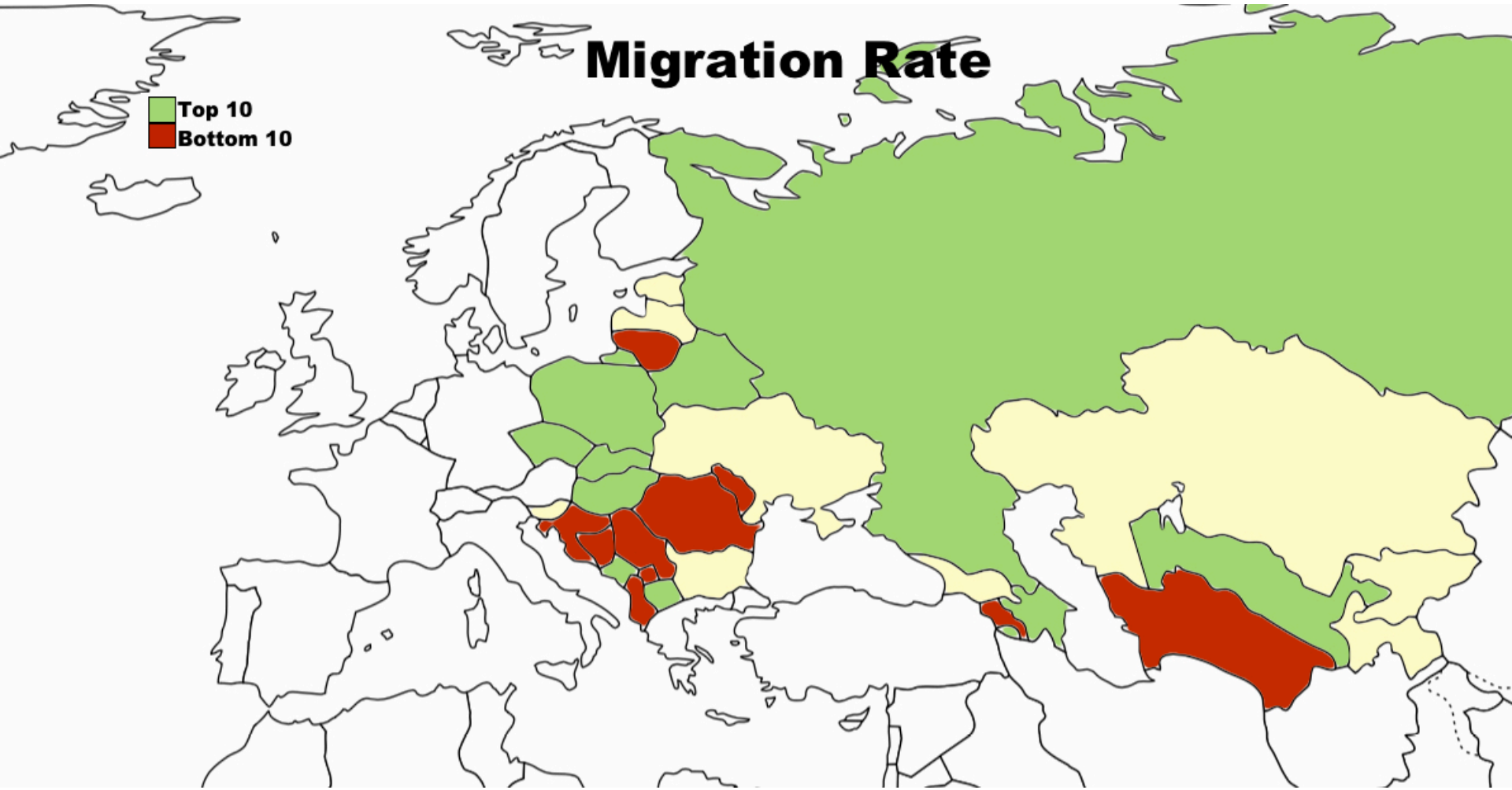
Economic and Demographic DATA

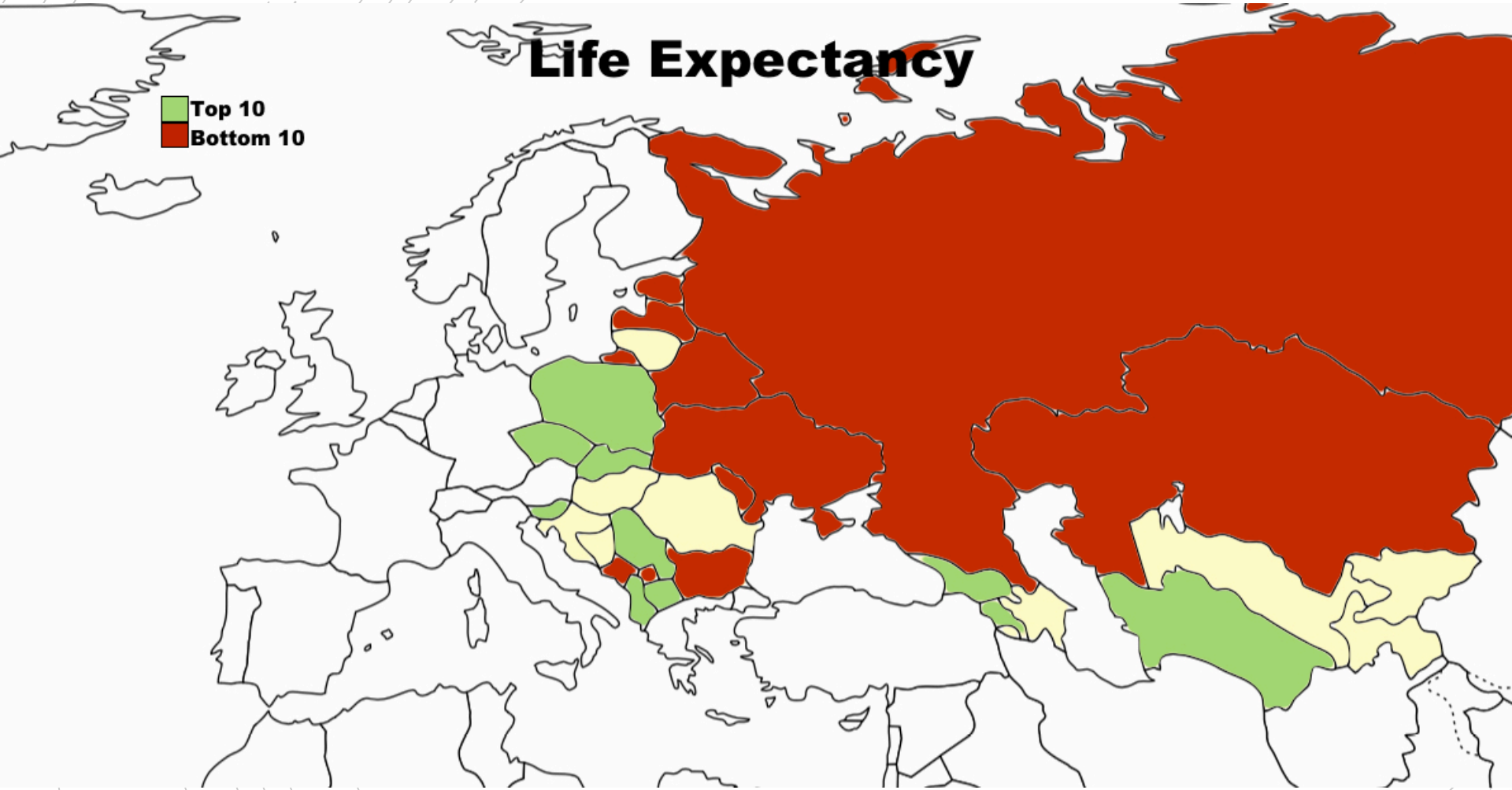
- Analyze depth and duration of collapse
- Average indicators to produce country rankings
- Charts indicate top 10 and bottom 10 countries as one way to visualize the differential impacts of transition

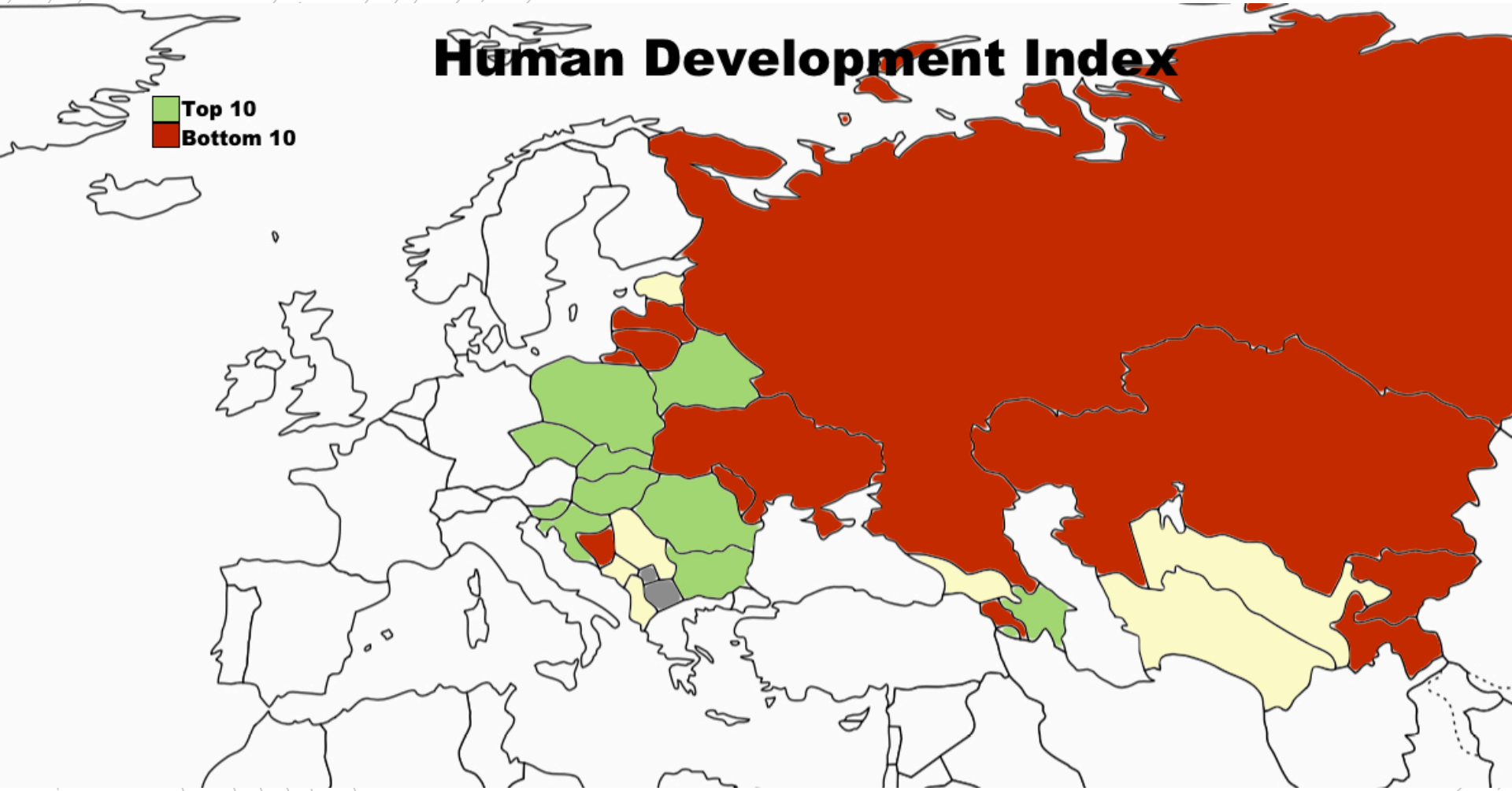

Postcommunist Transitions Compared to the US Great Depression (percent change in GDP per capita)
Percent Change in GDP per Capita
100
80
60
40
20
0
-20
-40
-60
-80
0
5
10
15
20
25
30
Year Since Start of Recession
Top Ten Transition Countries
Median Transition Countries
Bottom Ten Transition Countries
US Great Depression

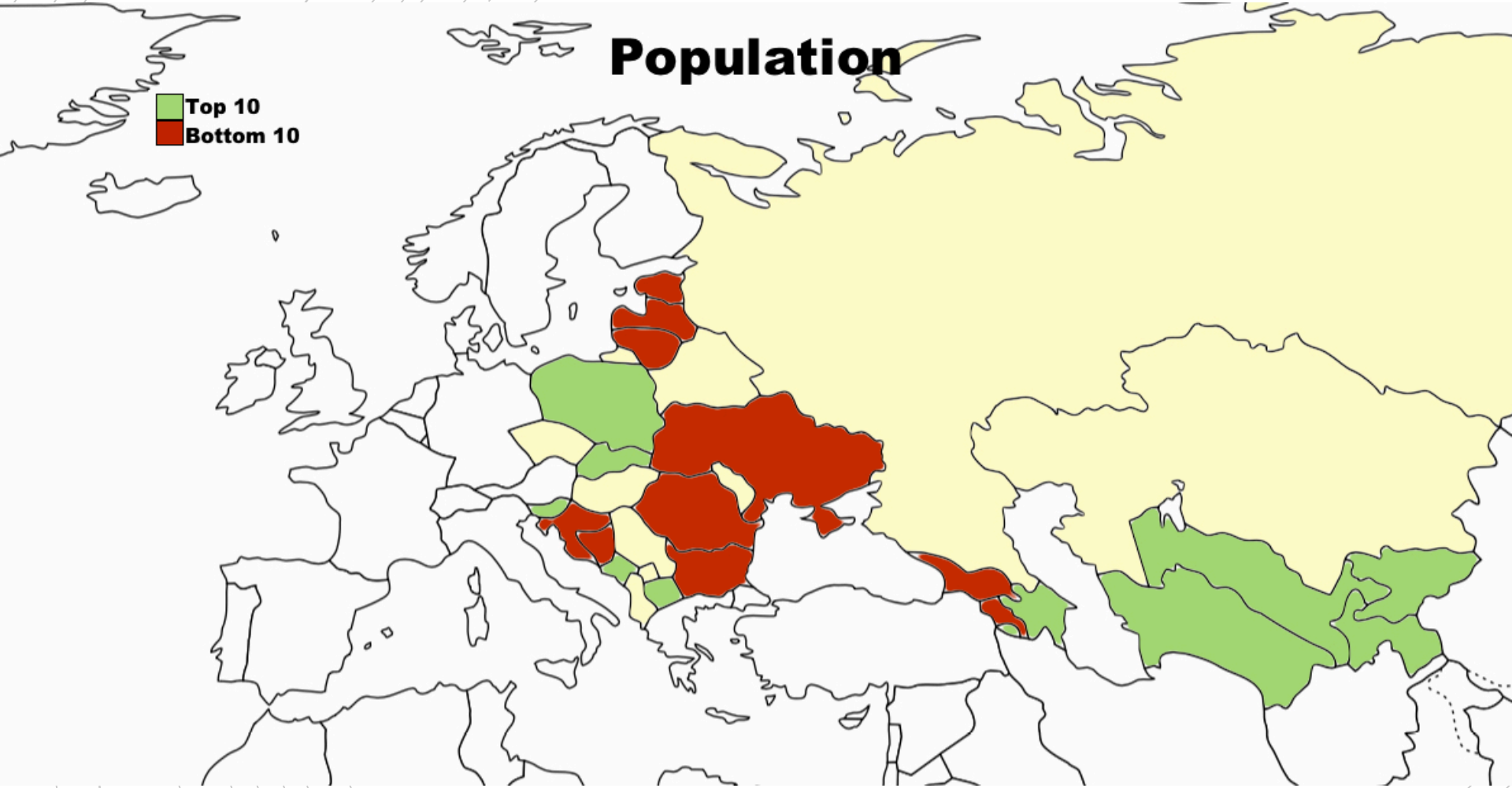
Economy
Top 10
Bottom 10

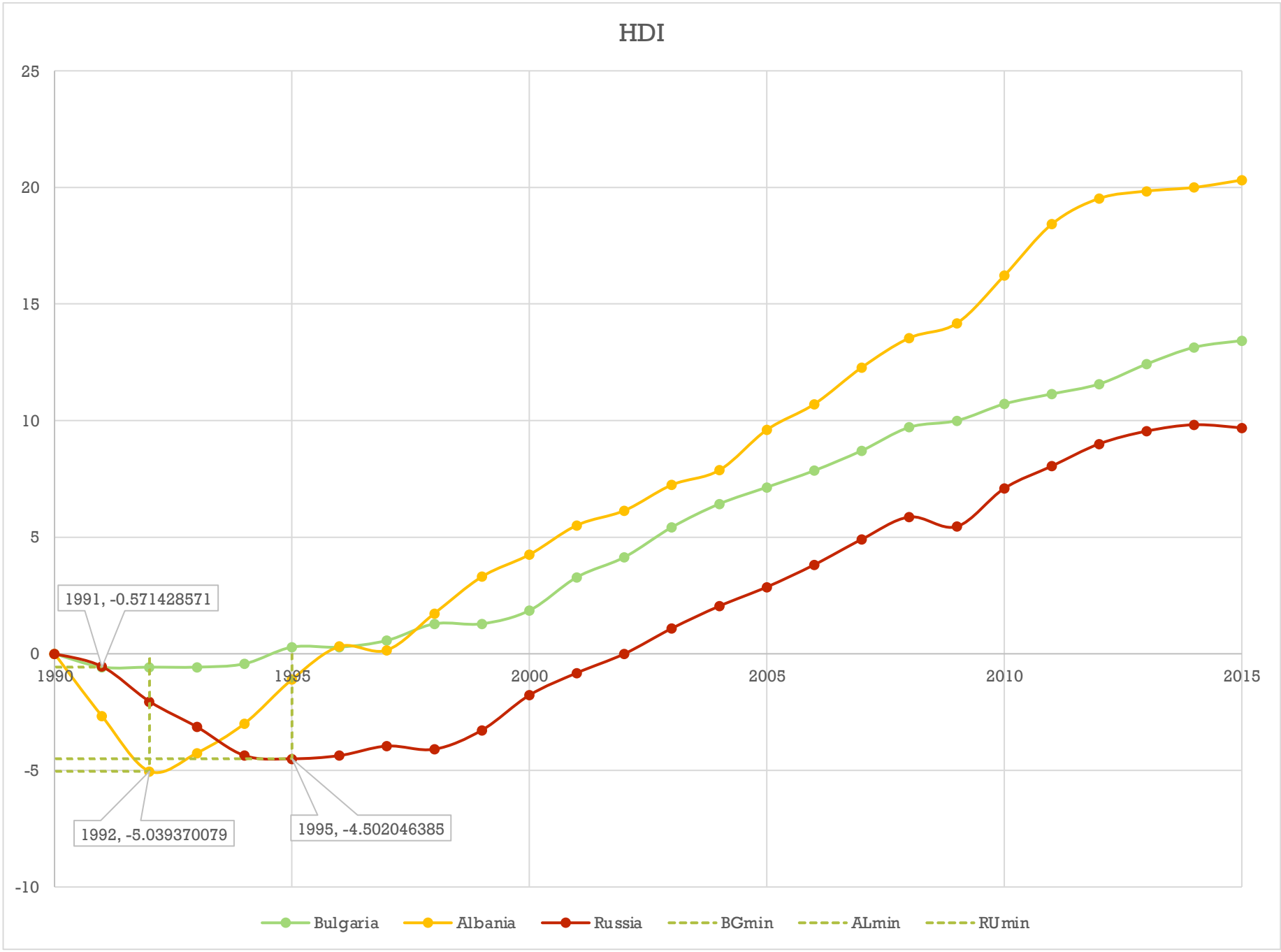

Crude Death Rate
Top 10
Bottom 10

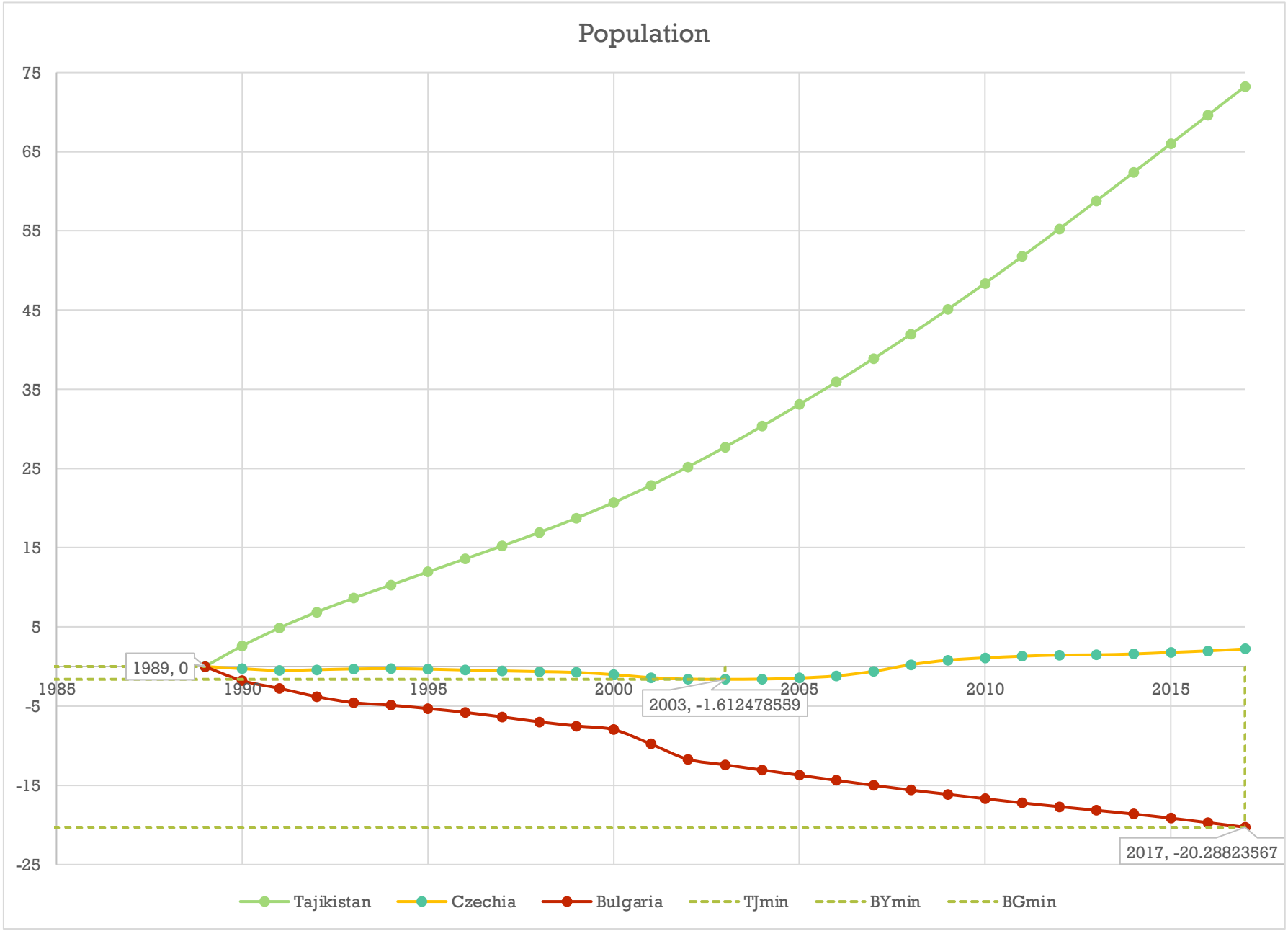

Migration Rate
Top 10
Bottom 10

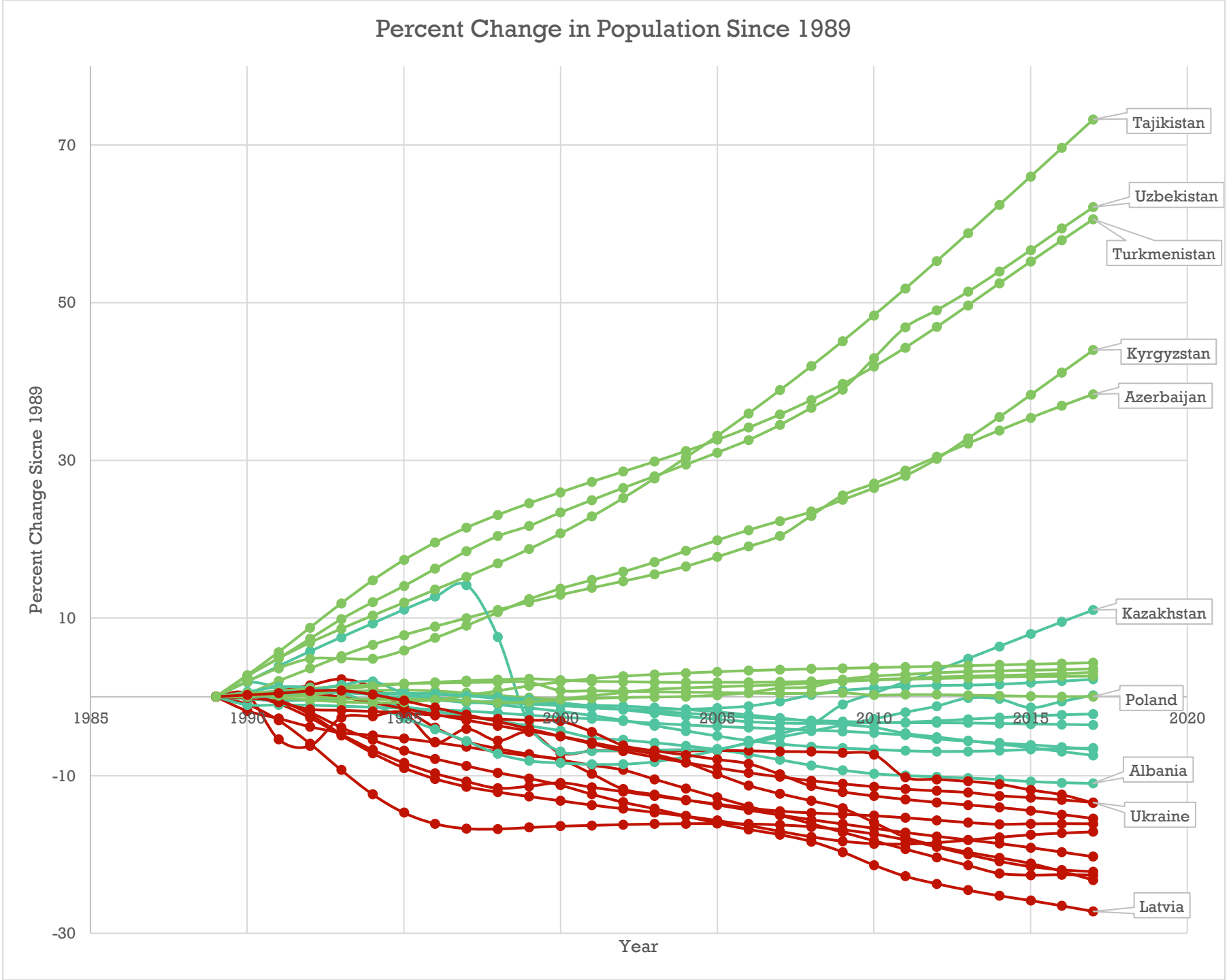

Life Expectancy
Top 10
Bottom 10

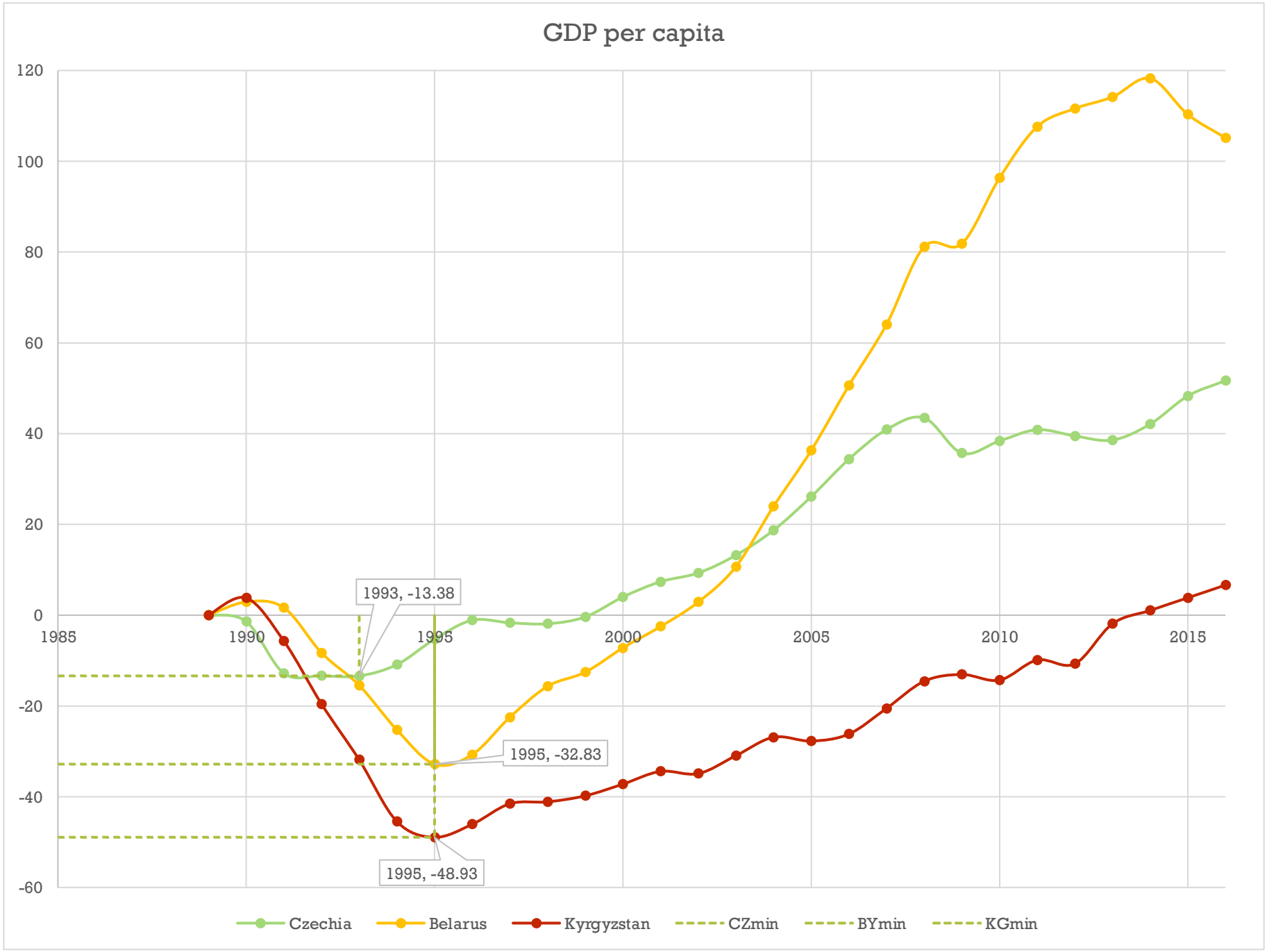

Human Development Index
Top 10
Bottom 10

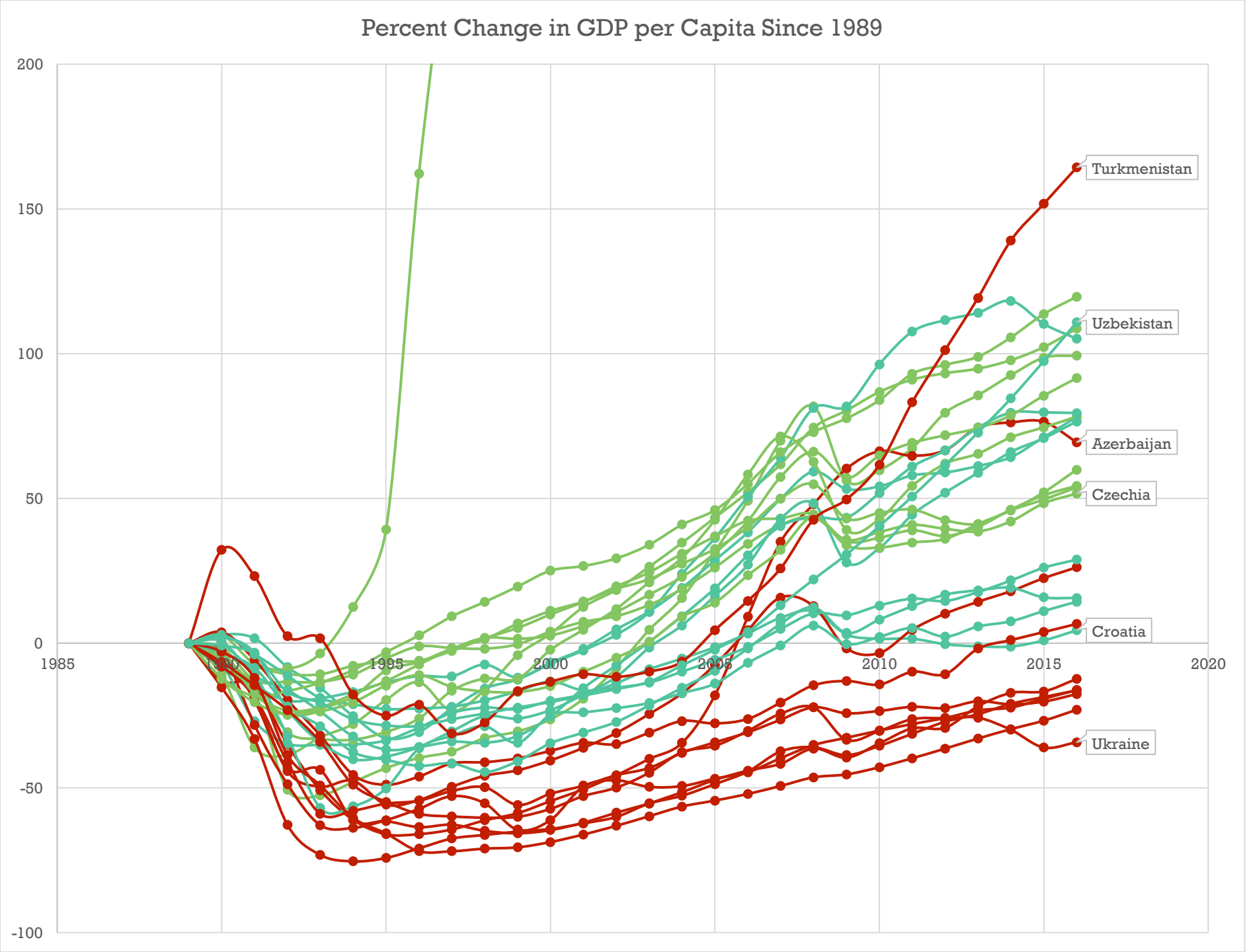

Population
Top 10
Bottom 10

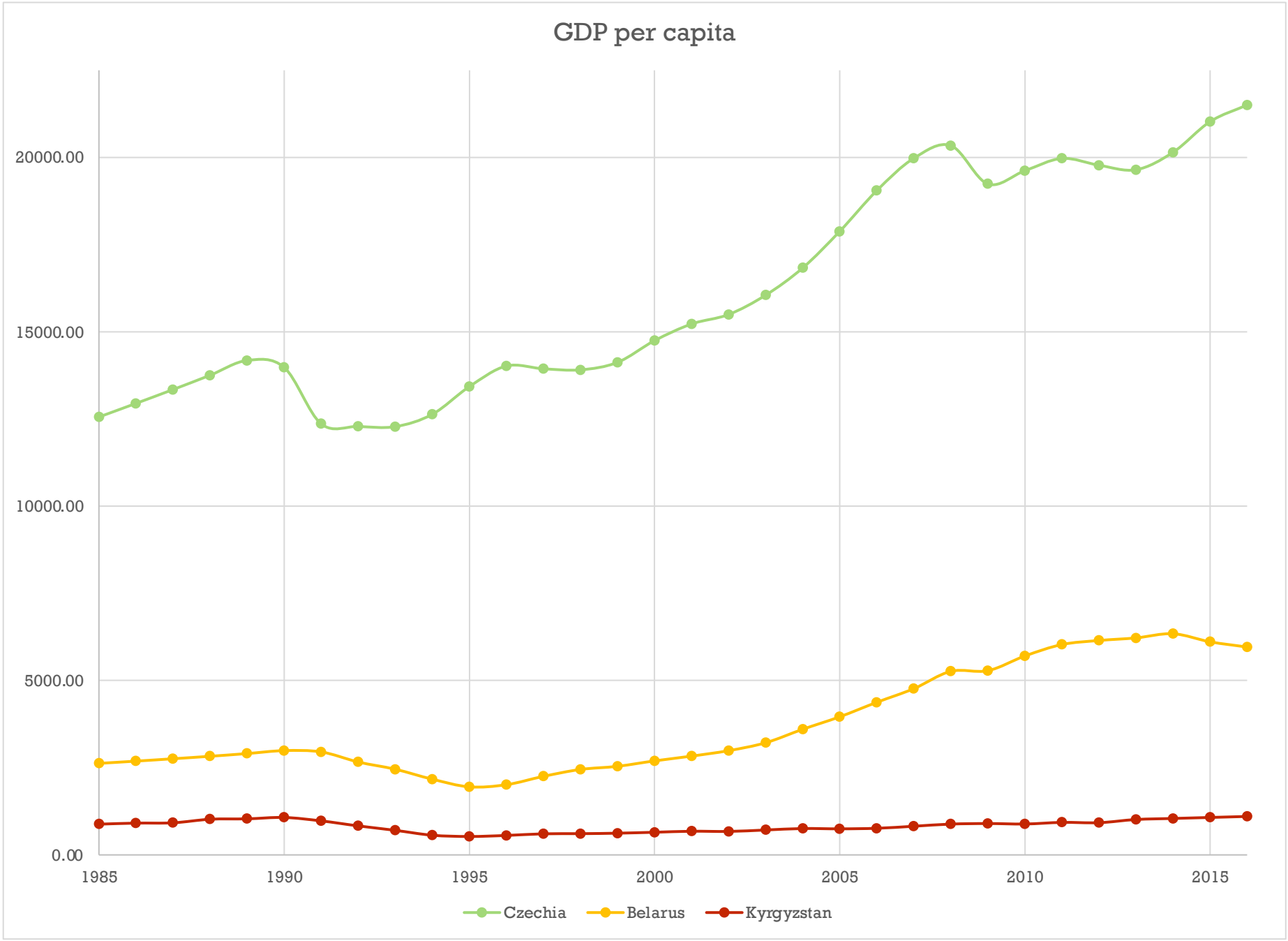

HDI
25
20
15
10
5
0
-5
-10
1990
1995
2000
2005
2010
2015
1991, -0.571428571
1992, -5.039370079
1995, -4.502046385
Bulgaria
Albania
Russia
BGmin
ALmin
RUmin

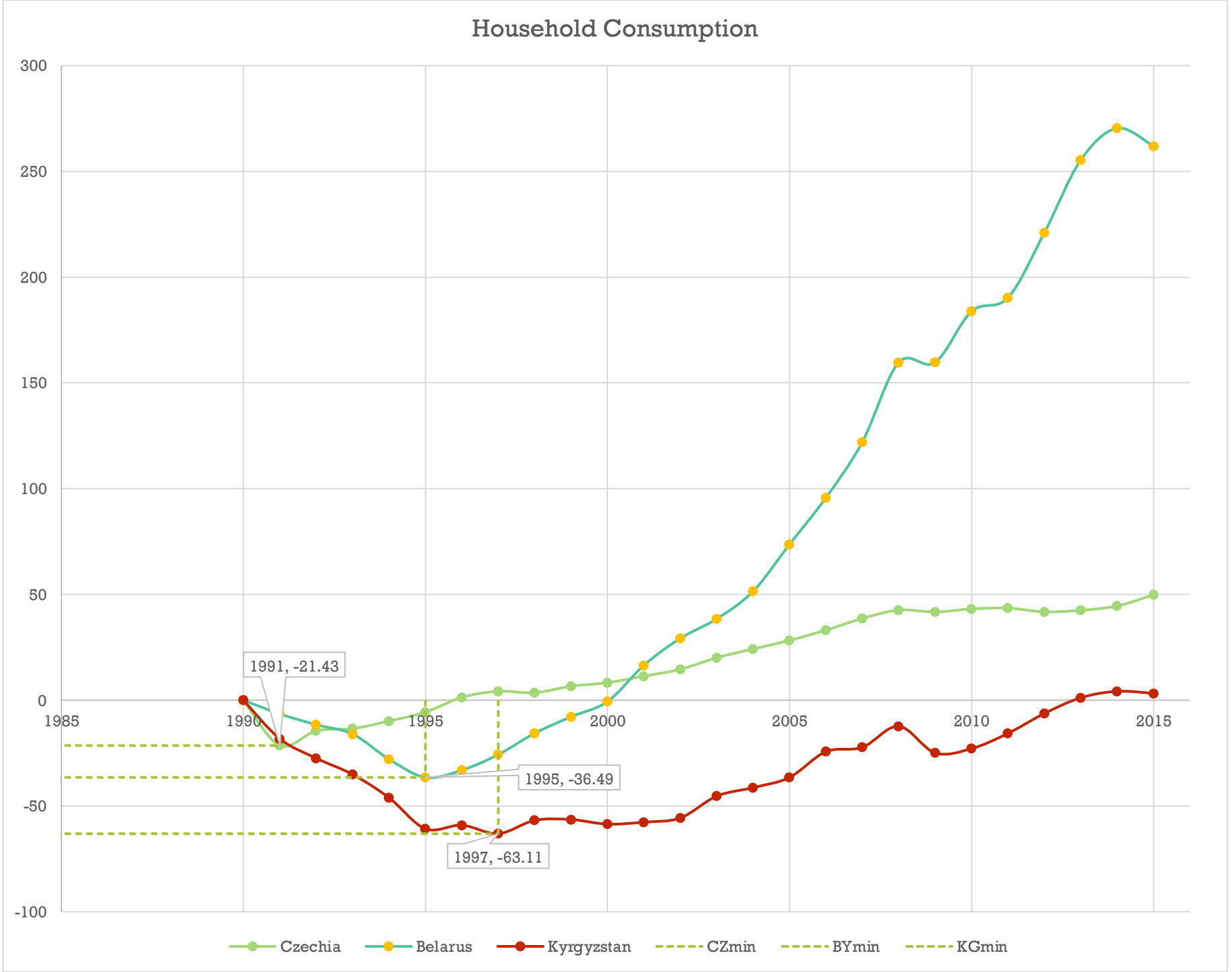

Population
75
65
55
45
35
25
15
5
-5
-15
-25
1985
1990
1995
2000
2005
2010
2015
1989, 0
2003, -1.612478559
2017, -20.28823567
Tajikistan
Czechia
Bulgaria
TJmin
BYmin
BGmin

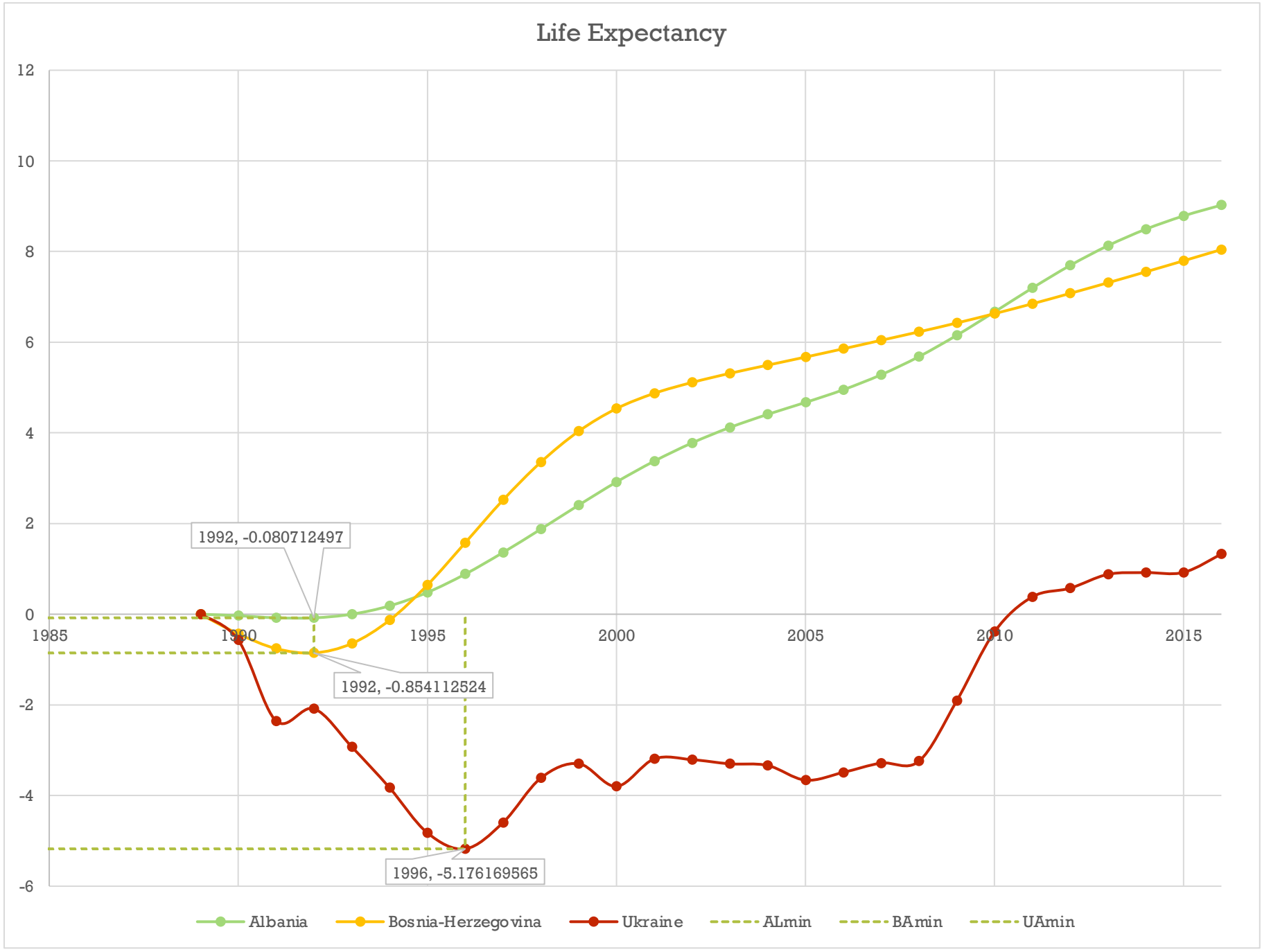

Percent Change in Population Since 1989
Percent Change Sicne 1989
70
50
30
10
-10
-30
1985
1990
1995
2000
2005
2010
2015
2020
Year
Tajikistan
Uzbekistan
Turkmenistan
Kyrgyzstan
Azerbaijan
Kazakhstan
Poland
Albania
Ukraine
Latvia

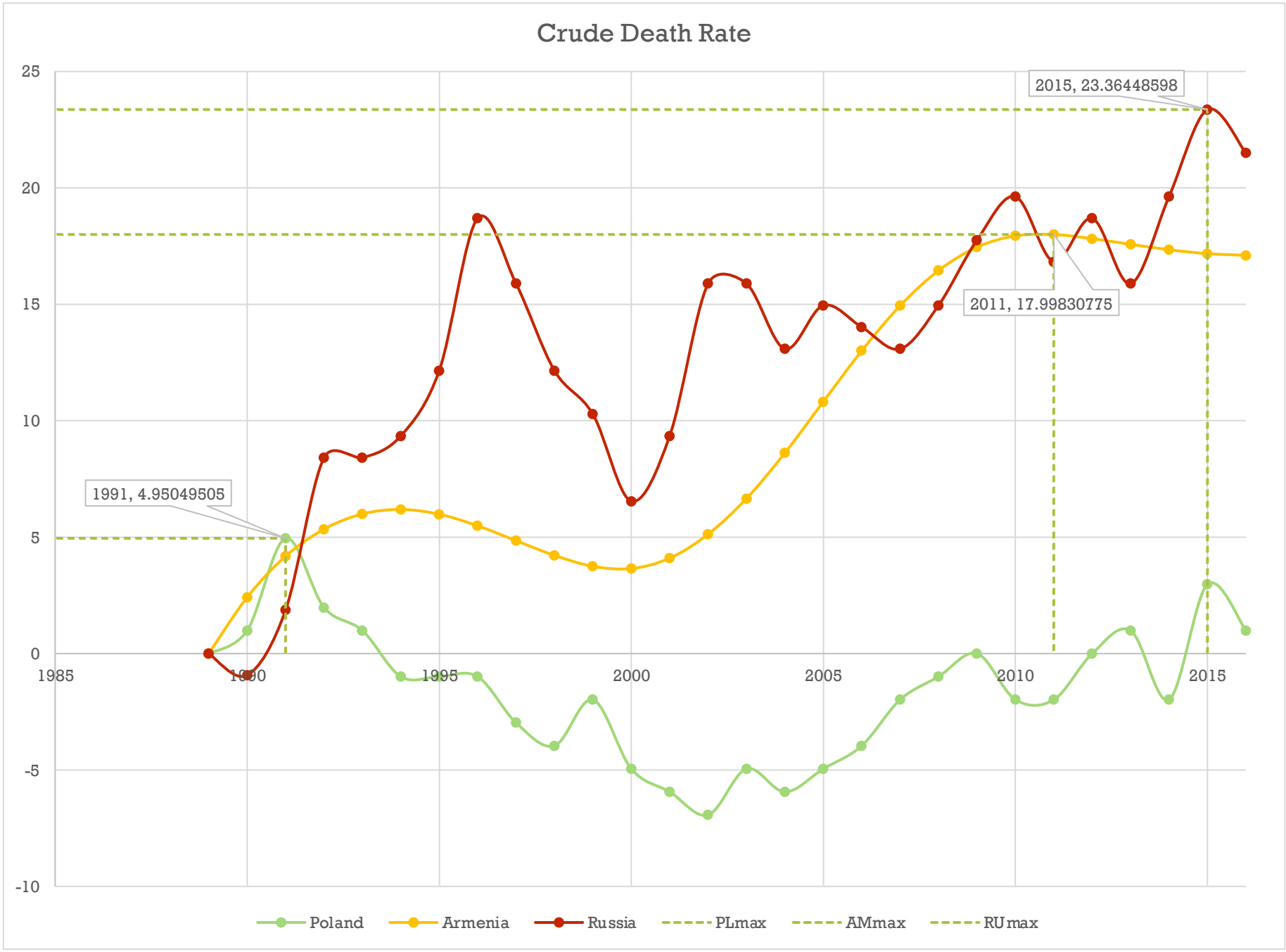

GDP per capita
120
100
80
60
40
20
0
-20
-40
-60
1985
1990
1995
2000
2005
2010
2015
1993, -13.38
1995, -32.83
1995, -48.93
Czechia
Belarus
Kyrgyzstan
CZmin
BYmin
KGmin

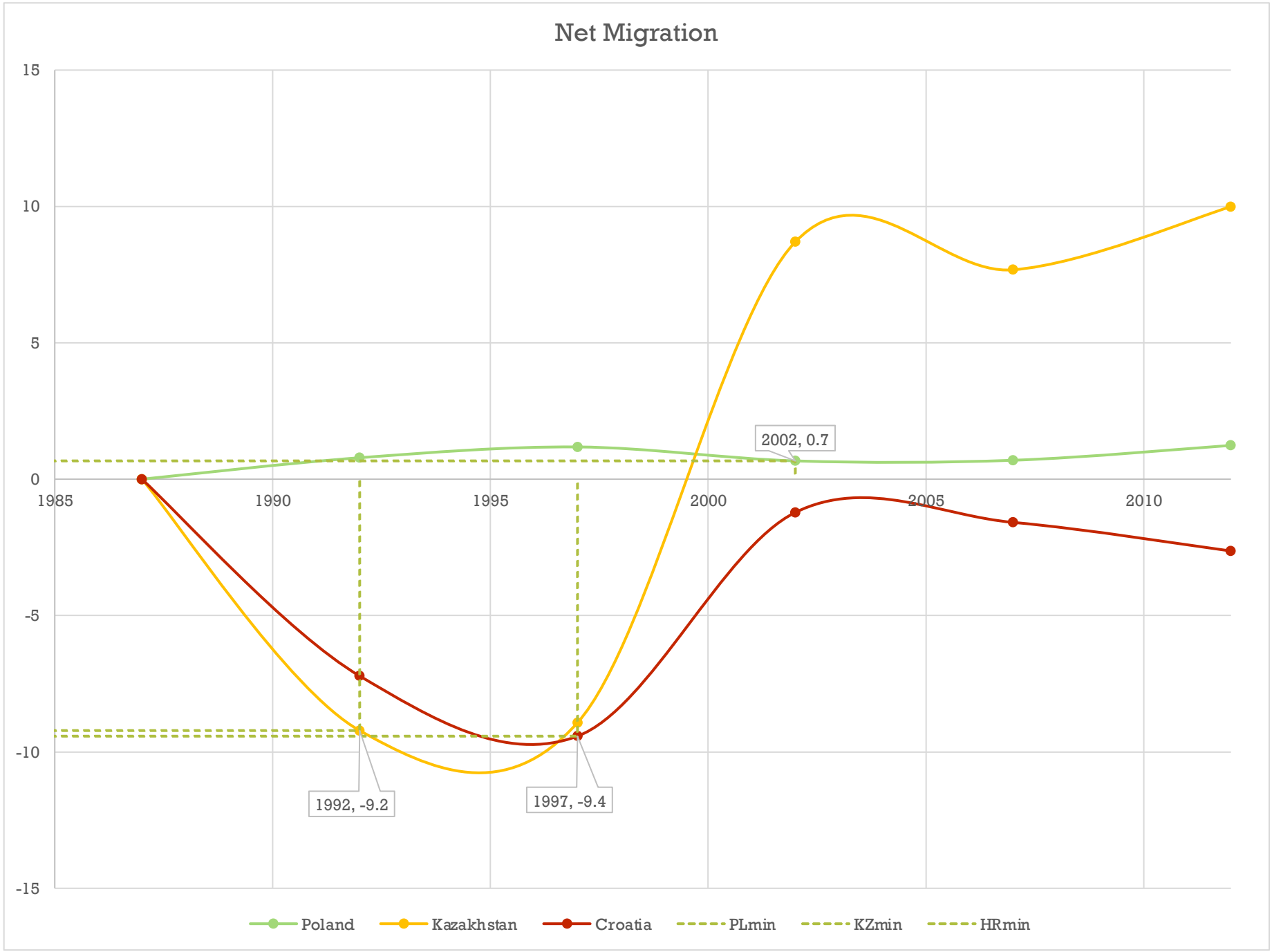

Percent Change in GDP per Capita Since 1989
200
150
100
50
0
-50
-100
1985
1990
1995
2000
2005
2010
2015
2020
Turkmenistan
Uzbekistan
Azerbaijan
Czechia
Croatia
Ukraine

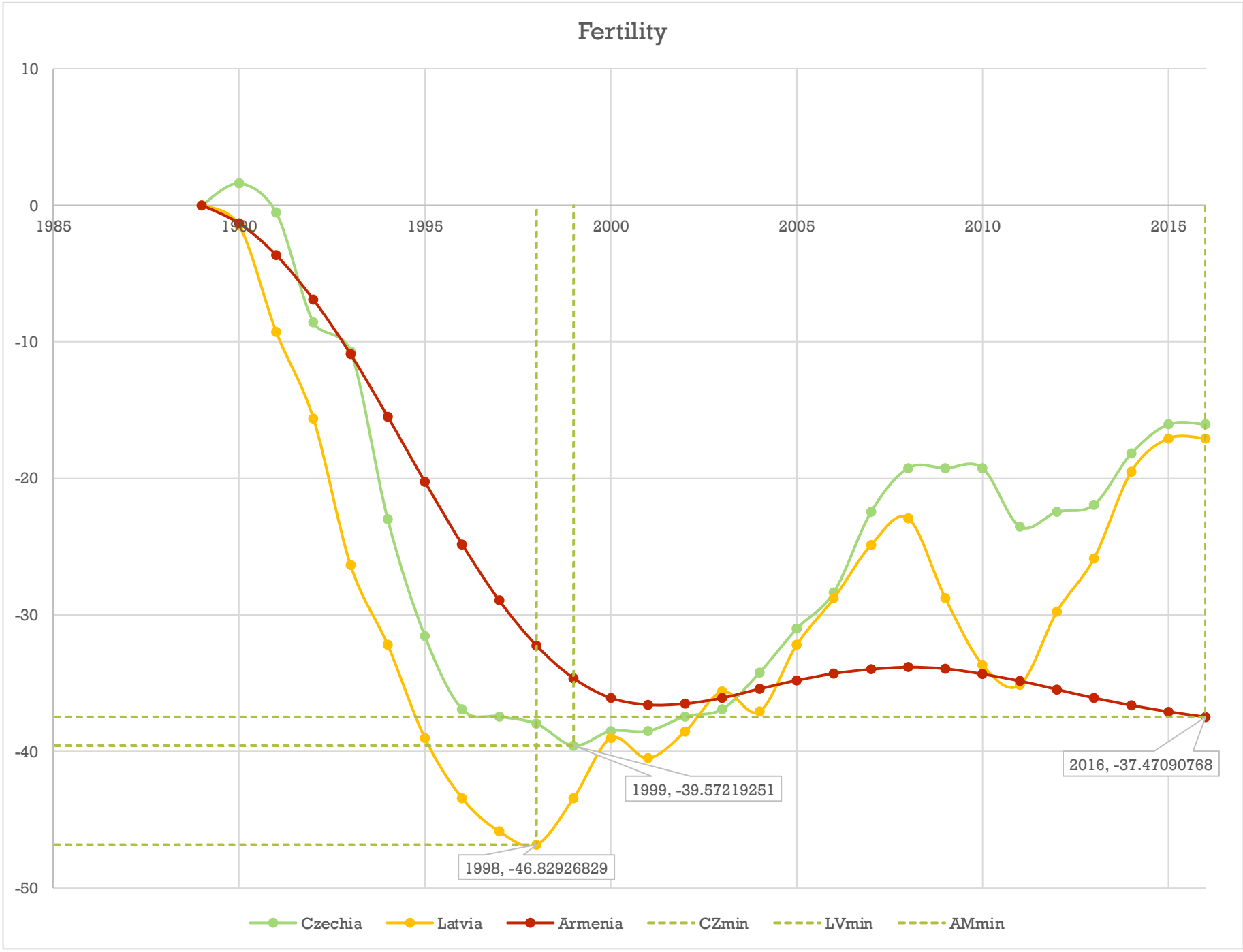

GDP per capita
20000.00
15000.00
10000.00
5000.00
0.00
1985
1990
1995
2000
2005
2010
2015
Czechia
Belarus
Kyrgyzstan


Household Consumption
300
250
200
150
100
50
0
-50
-100
1985
1990
1995
2000
2005
2010
2015
1991, -21.43
1995, -36.49
1997, -63.11
Czechia
Belarus
Kyrgyzstan
CZmin
BYmin
KGmin


Life Expectancy
12
10
8
6
4
2
0
-2
-4
-6
1985
1990
1995
2000
2005
2010
2015
1992, -0.080712497
1992, -0.854112524
1996, -5.176169565
Albania
Bosnia-Herzegovina
Ukraine
ALmin
BAmin
UAmin


Crude Death Rate
25
20
15
10
5
0
-5
-10
1985
1990
1995
2000
2005
2010
2015
2015, 23.36448598
2011, 17.99830775
1991, 4.95049505
Poland
Armenia
Russia
PLmax
AMmax
RUmax


Net Migration
15
10
5
0
-5
-10
-15
1985
1990
1995
2000
2005
2010
2002, 0.7
1992, -9.2
1997, -9.4
Poland
Kazakhstan
Croatia
PLmin
KZmin
HRmin


Fertility
10
0
-10
-20
-30
-40
-50
1985
1990
1995
2000
2005
2010
2015
1998, -46.82926829
1999, -39.57219251
2016, -37.47090768
Czechia
Latvia
Armenia
CZmin
LVmin
AMmin

Indicator	Subset	Median Country	Percent Decrease of Indicator*	Number of Years from 1989 to minimum*
GDP	Top 10	Czechia	13.3324169	3
	All	Belarus	32.6877233	6
	Bottom 10	Kyrgyzstan	46.4065349	6
Death Rate	Top 10	Poland	4.95049505	2
	All	Armenia	17.9983077	22
	Bottom 10	Russia	53.271028	14
Life Expectancy	Top 10	Albania	0.0807125	3
	All	Bosnia-Herzegovina	0.85411252	3
	Bottom 10	Ukraine	5.17616957	7
Fertility	Top 10	Czechia	39.5721925	10
	All	Latvia	46.8292683	9
	Bottom 10	Armenia	37.4709077	27
Migration	Top 10	Poland	0	0
	All	Kazakhstan	9.217	5
	Bttom 10	Croatia	9.422	10
Population	Top 10	Tajikistan	0	0
	All	Belarus	6.93711898	23
	Bottom 10	Bulgaria	20.2882357	28
HDI	Top 10	Bulgaria	0.57142857	1
	All	Albania	5.03937008	2
	Bottom 10	Bosnia-Herzegovina	0.85348506	15
			*Percent increase for death rate	*1987 to minimum for migration, 1990 for HDI

CONCLUSIONS

- Evidence of both J-curve and disaster capitalism transition narratives
- Transition cannot be collapsed to a discussion of economic data alone
- We recommend an inequality-based perspective
  - A significant proportion of people did well
  - While others suffered a decades-long crisis
- Implications for current future politics
- Region needs a path towards inclusive development
- Transition will never be forgotten