


A Comparative Study of Institutional Quality and Economic Performance of Selected Post-Transition Countries from Central and Eastern Europe

Ph.D. candidate Gunter Merdzan  [0000-0002-1894-9623](https://orcid.org/0000-0002-1894-9623)

Prof. Dr. Trajko Slaveski  [0000-0003-0268-4760](https://orcid.org/0000-0003-0268-4760)

Abstract

This study compares the institutional and economic indicators of selected post-transition countries in Central and Eastern Europe following the transition process. These countries have experienced institutional and economic transformations over the past few decades. They have achieved varying degrees of success in shifting from centrally planned to market economies and adopting democratic institutions. Despite the varying success, each country has significantly improved their economic and democratic institutions. This study aims to compare the progress of the post-transition countries and identify any commonalities or differences in their institutional and economic indicators. Additionally, it provides insight into the effectiveness of the transition process and its effects on the economic performance of the countries in question. It also identifies the key factors that have enabled several countries to succeed more than others in their transition processes. We employ IVGMM to assess the impact of institutional and transitional indicators on economic growth in selected post-transition European countries. Our sample contains data for 15 post-transition countries from Central and Eastern Europe (Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, North Macedonia, Poland, Romania, Serbia, the Slovak Republic, and Slovenia) from 2011-2021. The results indicate that in most countries, there is a positive correlation between institutional and transitional indicators and economic growth, suggesting that the countries in the sample have benefited from their transition to market economies. We conclude that the transition to market economies has positively impacted economic growth in the region.