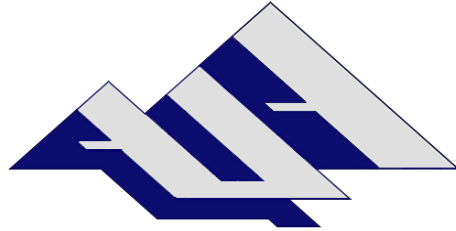


AMERICAN UNIVERSITY OF ARMENIA



**RELATIONS BETWEEN POLITICAL STABILITY,  
DEMOCRACY AND ECONOMIC GROWTH IN POST-  
COMMUNIST COUNTRIES**

**A MASTER'S ESSAY SUBMITTED TO THE FACULTY OF THE  
GRADUATE SCHOOL OF POLITICAL SCIENCE AND  
INTERNATIONAL AFFAIRS FOR PARTIAL FULFILLMENT OF  
THE DEGREE OF**

**MASTER OF ARTS**

**BY**

**ARAKS HAKOBYAN**

**YEREVAN, ARMENIA**

**DECEMBER 2002**

<b>ABSTRACT .....</b>	<b>3</b>
THE STRUCTURE OF THE PAPER.....	4
<b>DEMOCRACY AND POLITICAL STABILITY. NOTIONS AND FACTORS. ....</b>	<b>4</b>
THE NECESSARY FEATURES OF DEMOCRACY.....	5
WHAT ARE THE ATTRIBUTES OF POLITICAL STABILITY?.....	8
CONCLUSION .....	13
<b>COUNTRIES UNDER THE STUDY.....</b>	<b>13</b>
<u>POLITICAL STABILITY</u> .....	15
<i>Political Stability Calculation</i> .....	15
<i>Countries' Experience</i> .....	20
<i>Historical development</i> .....	23
<i>Conclusion</i> .....	27
<u>DEMOCRACY</u> .....	28
<i>Necessary factors</i> .....	28
<i>Countries Experience</i> .....	31
<b>ECONOMY.....</b>	<b>34</b>
CONCLUSION .....	40
APPENDIXES .....	43
<i>Appendix 1</i> .....	43
<i>Appendix 2</i> .....	48
<i>Appendix 3</i> .....	49
<i>References:</i> .....	50

## **Abstract**

The economy of the Soviet Union and other socialistic countries was almost a hundred percent dependent on politics. At the same time even the economy of the most liberal country is significantly influenced by its political environment. Relying on the features, which will be considered in detail in the research paper, it will be shown that the political environment is a factor that influences economic features of the countries in the former Soviet sphere which are in a transition period. Political stability is usually regarded as a positive characteristic and even more a desirable factor. At the same time Armenia is considered to be relatively stable in its political dimension.

This paper will try to show whether there is positive relationship among democracy, economic development and political stability, i.e. whether political stability necessarily leads to democracy and economic development or may hamper them. Many studies have been conducted to reveal the relations between political environment, namely democracy, and the economic one in post-communist countries. In this paper stability will be introduced to explore the relationship between democracy and economic development, which were studied in the above-mentioned research. Here it will be studied as an independent variable to determine if it is related to either of these two variables (democracy and economic development).

While political stability seems to be an undeniable prerequisite of economic growth, it may merely indicate the lack of democracy within the country. The question then is will it be negatively reflected on the economic growth and overall transition. Thus, closely tied relations may seem to exist between the countries' political stability and economic prosperity on the one hand, and between political stability and democracy on the other hand.

So, the aim of the paper is to investigate the historical experience of some transitional countries to find out if such relation does really exist, to see its magnitude and direction (if it is positive or negative). Though the paper will have descriptive and explanatory purposes as well, the main stress will be done on its explorative function that is to try to reveal the relationships between all the variables which are within the field of our interest.

### ***The structure of the paper***

The first part of the paper will be devoted to definitions of democracy and political stability. Taking into consideration all these factors, models will be drawn for each of three variables, which will help to measure them and transform the qualitative data into quantitative one. Thus, the level of the above-mentioned three variables will be defined for each country under the observation. The last part will concentrate on the relationships between these three variables, i.e. their relation and interdependence (if there are such) will be revealed. Later, an explanation will be done concerning the results. Then, at the end a conclusion will be drawn, which will either accept or deny the hypothesis of the paper.

### **Democracy and Political stability. Notions and factors.**

In spite of the fact that it is rather difficult to measure democracy within a certain state, several attempts have been done to draw some common features by which the degree, or even the presence or absence of democracy may be claimed. While the notion of democracy is usually

considered to overlap or even coincide with that of political stability, there are features, which make these two notions different from each other, or rather mutually exclusive.

Thus, this part of the paper will dwell on the universally agreed features of democracy. Then the notion of stability will be defined, i.e. some criteria will be brought to describe the very notion. Later on, they both (democracy and stability) will be compared, or/and opposed and some conclusion will be drawn.

### ***The necessary features of Democracy.***

Democracy defined as a system, where the power belongs to the people, supposes, first of all, *free, fair and frequently held elections*. Though, there are no absolute dimensions for the measuring the extent of fair and free elections, we make our judgments concerning them mainly relying on the factors, which imply “that franchise and an access to the ballot are more inclusive than exclusive; an equality of votes so that no vote counts more than another; and election outcomes determined by rules established in advance, with minimal cheating and fraud in the casting and counting of votes” (Santolaya Pablo, 1997). These allow democratic states to have a variety of political leaders and handle the transition of the power from one hand into another rather smoothly. Many scholars explain this by the fear of losing an office and not being reelected, which makes officials to be accountable to the people. Democratic elections are competitive, which implies an existence of opposition parties, which, in their turn, have a free access to the ballot.

While considering open fair elections as vital for the normally functioning democratic state, the *role of political parties* should be underlined, as they are tying links (along with interest groups, lobbies, etc.) between citizens and the officials who are involved in the decision-making process. Put in other words, political parties provide feedback between people, who express their wills and needs, and those, who are responsible to realize them (at least, to the greater extent).

The number of political parties, which varies across the countries (due to their institutional arrangements, like electoral rules) may be considered as a good indicator of democracy, as there is a tendency to think that “the larger is their number, the larger is the scope of the inclusion and representation of the interests (i.e. group interests)” (Herbert Kitschelt, 1999). Though, sometimes the existence of abandon political parties leads more to individualization of the interests than to the enlargement of the number of the interest groups. This mechanism works even better for transitional countries, where there is a lack of the culture and institutions for the lobbying of group interests, which inevitably leads to the individualization of interests in a society. Thus, this number does not necessarily lead to competitive elections, or that of democracy, as they may be incompetent in persuading principle goals. Besides, due to Kitschelt and al., “with an increasing number of political actors, however, efforts to build viable majorities and to agree on durable, binding policy decisions become complicated”(Herbert Kitschelt, 1999). However, existence of a competent opposition is crucial for democracy.

Another necessary condition for democracy is considered to be *freedom of speech and press*. This implies, first of all, an autonomous mass media, which plays a key role in the process of public opinion formation. By free mass media we understand plurality of information sources, i.e. there is no monopoly on their provision.

“Democracy depends upon a literate, knowledgeable citizenry whose access to the broadest possible range of information enables them to participate as fully as possible in the public life of their society. Ignorance breeds apathy. Democracy thrives upon the energy of citizens who are sustained by the unimpeded flow of ideas, data, opinions, and speculation” (Kaare Strom, 2001).

The role of mass media is vital in the formation and consolidation of the civic culture. It is the main (if not the only) source via which public becomes involved in politics and as well people become aware of what surrounds them. Mass media is a strong tool in the hands of political parties and other political actors to influence the public opinion, as well as its formation.

According to Bruce de Mesquita media in democracy has “a number of overlapping but distinctive functions. One is to inform and educate. To make intelligent decisions about public policy, people need accurate, timely, unbiased information. Because opinions diverge, they also need access to a wide range of viewpoints. This role is especially important during election campaigns, when few voters will have the opportunity to see, much less talk with, candidates in person. Instead, they must rely on newspapers and television to explain the issues and characterize the respective positions of candidates and their political parties.

A second function of the media is to serve as a watchdog over government and other powerful institutions in the society. By holding to a standard of independence and objectivity, however imperfectly, the news media can expose the truth behind the claims of governments and hold public officials accountable for their actions.

If they choose, the media can also take a more active role in public debate. Through editorials or investigative reporting, the media can campaign for specific policies or reforms that they feel should be enacted. They can also serve as a forum for organizations and individuals to

express their opinions through letters to the editor and the printing of articles with divergent points of view. Commentators point to another increasingly important role for the media: "setting the agenda." Since they can't report everything, the news media must choose which issues to report and which to ignore. In short, they decide what is news and what isn't. These decisions, in turn, influence the public's perception of what issues are most important" (Bruce de Mesquita, 1999).

The next important condition for democracy is a *system of checks-and-balances*, which implies, first of all, fragmentation of the power. This means that political power is not concentrated within one branch of the government, i.e. there is a clear-cut separation between legislative, executive and judiciary branches. An equal distribution of the power among these branches is also required. While considering that there can not be an absolute system of check-and-balance, as the legislative power of the Parliament may be opposed by the veto right of the president of the state (and so on), a normal functioning system with a decentralized power is supposed to exist.

Here the *role of plurality* is necessary. By plurality we understand an open access to political resources, not a concentration of the power within the hands of a certain elite. As both political and economic resources are limited, everyone must have equal opportunity to get them, which, in its turn, will lead to the inclusion, but not exclusion, of the population.

***What are the attributes of political stability?***



While speaking about political stability rather controversial views are expressed. Hence, under the very term different systems are accepted and recognized. This is mainly due to the fact that quite different dimensions are used when it is decided on the presence or absence of political stability within the state. Many people share the view that the very notion is rather characteristic of democratic country, while the others consider it as an indicator of authoritarian one. Basing on existing approaches, I am going to concentrate on three conditional dimensions of political stability.

*1. Rare transmission of presidential office, i.e. low rate in the turning over the very office.*

This implies that the number of the politicians occupying the presidential office successively is few, i.e. the pass of the office from one hand to another is rare. In other words, “a system might be considered relatively stable or unstable depending on the rapidity of change of the very office” (Jonathan Lemco, 1991).

This stability is characteristic rather of authoritarian type of regime, which is notable for its quite close system. In other words, it is in autocratic system that monopoly on the power does exist, which closes the doors before the majorities, blocking their access to the holding of power. Democracy provides various paths and roads to the governmental offices allowing involvement of large masses in the political life, i.e. in the decision-making process.

On the other hand, it may be argued that the rarity of the power transition eliminates any uncertainty, which people may have concerning the future office holders. Dissatisfaction with the present authority(ies) may still leave people inactive in political life, as they are often aware of running a risk in having even worse government. Besides, sometimes people are afraid of radical changes and they prefer to leave the state of affairs as it is. Such a political stability is

characteristic of authoritarian type of state, as “uncertainty about national politics, and especially about who will be the future leader, is often the product of an open, competitive political system, that is democracy” (Bruce de Mesquita, 1999).

Though, it should be noted that the aforementioned stability might have short-run rather than long-run effect, as, if we consider it from the physics’ point of view, the equilibrium achieved here is out of gravity center. In other words, this stability is not built on the majority’s accord, i.e. the latter’s interests count for little. Thus, it does imply that sooner or later a shift of the balance will take place.

*2. One of the important components or indicator of this type of stability may be considered the longevity or rather “inlongevity” in office enjoyed by national leaders. This implies that a constant change of governmental officials does take place. While speaking about the longevity in the office enjoyed by the national leaders, a distinction between the presidential and other offices should be done, as they can be regarded as two different sides of double-edged sword.*

When the power is concentrated in the hands of one person or a small group, a constant fear of losing it forces them to be on the alert, and this leads to endless dismissal of public officials, while the main core remains unchangeable. Thus, while the president’s office (or a small body of rulers) is occupied by a certain person(s) for a long time, simultaneously changes and removal of other officials may take place quite often. In democracy, as there is an open access to political power and the very system presupposes an inclusion of the large amount of the population, the changes of both presidential and other governmental do rather coincide.

*3. Another dimension for defining political stability, on which I’d like to concentrate my attention, is the longevity of national political institutions that define the form of governance.*

Constant changes in political structure leads to that people lose confidence in them and an uncertainty rises concerning the future. This uncertainty will definitely reflect on the economic growth (their relation will be discussed bellow). Countries are considered to be unstable when constant changes in governmental structures take place. This usually happens when one regime is replaced by another one.

Sometimes, one type of regime is replaced by the same type of regime, though here no abrupt changes take place. At least, these changes are not so painful, as no break of values and construction of new ones take place. Though, here a distinction should be done between the changes taking place in democratic and authoritarian regimes. The democratic regimes have tendencies to be replaced by another democratic regime, “precisely because such regimes are democratic, they are more likely to respond to popular opinion and to encourage political participation. For that reason changes from one democratic regime to another will often have a dramatic effect on the ability of different citizens to make their influence felt and to receive the kinds of public policies they desire” (Robert J. Mundt, 1999).

Political stability defined or measured by the longevity of national political institutions is characteristic of both democratic ant authoritarian regimes. “Democratic and autocratic stability depends on a self-enforcing equilibrium, such that the maintenance of a polity’s institutional structure is in the interest of political officials, whether through autocratic control or the self-enforcing equilibrium of democracy. Where such equilibrium is lacking, instability will follow. Thus, it is hypothesized that strongly authoritarian and strongly democratic regimes will exhibit the greatest stability resulting from the reinforcing nature of their respective governance

structures. Semi-democracies will be the least stable political system, due to their institutional inconsistency” (Kaare Strom, 2001).

Here the factor of culture may also be considered important, as it (culture) often defines the very way of how the political institutions will function, i.e. to enforce laws or settle conflicts. In spite of the great similarity with democratic institutions, the political culture (like past experience) may prevent them from normal functioning in reality.

3. Civil wars, revolutions, coups, etc. may cause the changes, which have been discussed above. *Thus, the frequency of their occurrence may be another indicator of political stability/or rather instability, disregarding the fact, whether they have replaced the previous system by a completely new one, or just a change of authorities took place.*

These situations are mostly characteristic of authoritarian states (though, with not very strong authorities to keep everything under the control), where constant discontent and resentment on the public part, and, thus, imbalance or rather instability, do exist. In democracy, on the other hand, the public has an opportunity to express its sentiment concerning the conducting policy, i.e. express its resentment. Officials, in their turn, have to be accountable to the public to be reelected. Thus, any discords, rising within the boundaries of political life of any democratic state, are settled by compromise, which does exclude, or, at least, decrease the application to the above-mentioned measures. This, in its turn, indicates the level of political stability. Bienen and Van De Walle, while examining transitions of the power from one leader to another, have tried to distinguish “those leaders who have entered power by constitutional means from those who have entered power by extra-constitutional means (Robert J. Mundt, 1999). In this study, situations

where the seizure of power through extra-constitutional means has occurred shall be used as a measurement of political instability.

### ***Conclusion***

While political stability may go hand in hand with democracy, the former may also indicate an absence of the latter. Still the following observation may be drawn. First, political stability along with democracy may be considered to exist in long-run. That is, over a lengthy period of time an outcome of a nation's evolution could mean both stability and democracy have occurred. At the same time, the absence of democracy might very well indicate a fragile stability.

### **Countries under the study**

In this paper I study ten ex-communist countries, namely, Armenia, Czech Republic, Estonia, Georgia, Latvia, Poland, Russia, Turkmenistan, Ukraine and Uzbekistan. Here I have chosen two countries from different regions (Central Europe, Eastern Europe, Baltic, the Caucasus and Central Asia) to cover all the variety of ex-communist cultures and features (like religion) as much as possible. I have taken two post-communist countries which are not members of CIS, two ex-soviet countries again out of CIS, and six within the Commonwealth.

After the collapse of the Soviet Union all these countries embarked on a long journey of transition, with the same historical past and, to some extent, political culture. They are marked to have taken different routes to political and economic development. Thus, some states are acknowledged to have come close to democracy overcoming the "burden" of the past by

discovering the long-term influence of historical and cultural legacies inherited from the more distant past. Meanwhile, the others either reinforced an authoritarian rule of control or became bogged in transition, i.e. fell into stagnation.

The changes, which took place within these countries, demanded establishment of new durable economic and civic institutions. All these countries faced the same problem of getting rid of centralism, hence, to decentralize the power. As a result, new political parties (mainly directed against communist party), interest groups were created. Establishment of new civil society and an independent mass media became the core issue of each country. The ex-Soviet republics, with the exception of Baltic states, have been found ill-equipped in this respect, while Russia and Ukraine are considered to have long-term potential for “a resumption of reform processes, as each possesses a significant degree of civic activism, and significant independent news media, though these suffer from government pressure. In Turkmenistan, a quasi-totalitarian system has emerged based on a "personality cult" of the tyrannical president Saparmurad Niyazov. There appears to be little space for an independent civic life, there is no independent political opposition, and all media are tightly controlled by the state. In Uzbekistan, a small, embattled opposition functions in the context of substantial political repression that has driven many human rights and political activists into exile.” (A. Karatnycky, 2002).

The variety of this trajectory has forced many scholars to concentrate their attention on this very region. A lot of research has been conducted to measure the level of democracy in post-communist state, as well as to reveal some political and economic tendencies of the very countries (mostly relying on their past political culture). Different attempts have been made to

show the relationship and interdependence of these two factors in this region, i.e., namely democracy, and economy.

In this part of the paper I dwell on political stability. After defining each attribute of this variable, a model will be drawn, which will allow to do a cross-national analysis and define the level of political stability within each country. Later on, a model on democracy will be given, after which the relations between political stability and democracy will be described.

### **Political Stability**

#### **Political Stability Calculation**

In order to measure political stability in post-communist countries the following factors will be taken into consideration:

- *Rarity of the transmission of presidential office*

While deciding on the rate of the presidential office transmission all those who have occupied the president's office within the state between 1990 and 2001 will be taken into consideration. With the coming of any new president to the office some uncertainty rises which may be regarded as an indicator of political instability. A distinction here should be made between those who came to the very office via popular elections and those who took office after the previous president had been forced to leave. The former decreases the level of uncertainty to some extent and the latter is quite unpredictable. Psychologically people are prepared for the transmission of the office when elections are to be held. Hence, they are aware of the upcoming changes (not

only who occupies the office, but any resultant structural changes). It is usually considered that the leaders, who come to the office through popular elections, have a greater tendency to make less if any change in governmental offices, while in the case of power or office assumption outside of elections often results in wholesale change. On this basis, 0,5 point will be given to all those who came to the office via elections, and 1,5 points to those, who got it because of the resignation or exile of the previous president.

Taking into account the data provided by Roberto Ortiz de Zárate, which will be given in appendixes, namely, counting the number of the officials, who have occupied the very office of the president in the countries under the study, and by applying 0,5 point to each case, where the president has come to the power via popular elections and 1,5 via force, the following picture is drawn.

**Table 1**

Total changes in the offices of presidents in the countries under the study.

1. Armenia	2
2. Czech Republic	1,5
3. Estonia	1,5
4. Georgia	3
5. Latvia	1,5
6. Poland	1,5
7. Russia	2
8. Turkmenistan	0,5
9. Ukraine	2
10. Uzbekistan	0,5 <sup>1</sup>

- *Longevity in office enjoyed by national leaders*

The longevity or rather “inlongevity” in office will be measured by the number of all those who occupied the posts of Prime Ministers within the country since 1990. At first glance the

---

<sup>1</sup> See appendix 1. ZPC Homepage (<http://www.terra.es/personal2/monolith/country.htm>)



public may seem to be sensitive more to the change in president's office, as this may result in the substitution of many subordinates. This can result in structural changes, though this is not always the case.

On the other hand, whenever the Prime Minister or any Minister leaves his/her post, if not structural then policy changes do take place. These constant changes may undermine the public confidence in government, which leads to the mass indignation, hence, imbalance or instability is created.

So, while deciding on the rate of "longevity in office", it will be given 0,5 points to all changes in Prime Minister office, which took place between 1990 and 2001 in the countries under the study. At first, to make my model complete, I intended to include calculations of changes within the office of all on Ministers as well (Minister of Finance, Defense and Foreign Affairs at least), though I didn't, because of the absence of data on these changes, presented in the research. On the other hand, taking this information from newspapers, I was running the risk to omit some data, which would have led to distortion of the model. Hence, I have preferred not to risk. The same concerns the institutional changes.

Thus, again here I am taking into account the data provided by Roberto Ortiz de Zárate to define the overall changes in the office of Prime-Ministers within the countries under the study. Having counted the number of the officials, who have occupied the office of the Prime-Minister in these countries by applying 0,5 point to each change, that has taken place in the respect of Prime-Minister's office, the following picture is drawn.

**Table 2.**

Total changes in the office of Prime-Ministers in the countries under the study.

1. Armenia	5
2. Czech Republic	2
3. Estonia	4
4. Georgia	2
5. Latvia	4
6. Poland	4,5
7. Russia	5,5
8. Turkmenistan	1
9. Ukraine	5,5
10. Uzbekistan	1

- *Longevity of national political institutions*

In order to decide on the longevity of national political institutions, structural changes also may be taken into account. This may be defined by the merger or dissolution of any ministry or establishment of new one(s). Structural changes play key role while deciding on the level of political stability. Besides, the first two attributes seem to be related to this one, as the ultimate changes in presidents or prime ministers be accompanied by structural changes. Constant rearrangements of political institutions have negative reflection not only on the economy of the country, but also on the political culture, as the latter is shaped by the perception of the former ones. “In a society with well-functioning institutions, individuals enter into complex, long-term transaction that contemplate, either explicitly or implicitly, multiple possible states of the world and outcomes of exchange” (C. Clague, 1997).

We do not deny any structural change, as politics is a living organism and dynamics are an integrate part of it. Gradual institutional change is an indicator that the state is not in stagnation<sup>2</sup> and that adaptation or adjustment to new environment is taking place. Upon these assumptions it

would have been more appropriate to include these changes into our model, though, because of the lack of data on the very changes, like in the case of Ministers, this category fell out.

- *Occurrence of civil wars, revolutions, coups, etc.*

It is usually considered that when power is seized through coups, revolutions or civil wars the newly created government is doomed to failure, as it paves the way to new coups and revolutions. Exceptions are those states, where a strong authoritarian regime is established, which implies that military forces of the country come completely under the control of the new ruler.

Constant upheavals hamper not only economic development but political development as well, as they result in the weakening of the political institutions. This is mostly due to the fact that most of the limited resources (both economic and political) are used or rather wasted on the struggle and satisfaction of the new authorities' needs. Besides, it has a negative reflection on the political culture of the population, as people come to lose their faith in the system. This, in turn, raises resentment on the side of the population and an imbalance or again instability is created.

As the name does suggest any change of political system (even to the same type, as from authoritarian to again authoritarian) through coup, i.e. whenever a seizure of power by force takes place will be defined as the criteria of political instability. In those countries where coups have led to the seizure of the power 10 points will be given.<sup>3</sup> Only one coup brought about a change within the countries under study: Georgia. Accordingly, 10 points are added to the latter's point total.

---

<sup>2</sup> Stagnation here means stability, but without any "fetus" of future development.

<sup>3</sup> While changes in the offices of both presidents and prime-ministers are not necessarily the result of instability that exists within the country, coups always are. "Political instability is a core explanation of the onset of civil war, and it has been clearly demonstrated that intermediate regimes and unstable political systems are the most likely to

## Countries' Experience

Thus, relying on these criteria the following model of political stability for 10 post-communist countries have been drawn. Taking into account the calculations done in the previous part and adding all the results, the table of the political stability in these countries has been drawn.

**Table 3.**

*Nations in transit*

Rating of Political Stability

1. Armenia	7
2. Czech Republic	3,5
3. Estonia	5,5
4. Georgia	15
5. Latvia	5,5
6. Poland	6
7. Russia	7,5*
8. Turkmenistan	1,5
9. Ukraine	7,5
10. Uzbekistan	1,5

---

\* Here I didn't take into account the coup, which took place in Russia, since its failure proved once more that such events are resisted if not by the strength of political institutions, then by the strength of public mentality and its demand for democracy. This mentality can serve as a better foundation for political stability, rather than political institutions without public support.

While ranking the countries basing on the points totals provided in the above-drawn table, the countries with the lowest totals have the highest level of political stability, thus, they occupy the

---

experience civil war" (Kaare Strom, 2001). Hence, I found it appropriate to assign more weight to the occurrence of the coups in the countries.

upper places in the table, and visa versa, the countries, which have turned out to have the highest number, enjoy the lowest level of political stability. Hence, the following picture comes forth:

**Table 4**

1. Turkmenistan	1,5
2. Uzbekistan	1,5
3. Czech Republic	3,5
4. Estonia	5,5
5. Latvia	5,5
6. Poland	6
7. Armenia	7
8. Russia	7,5
9. Ukraine	7,5
10. Georgia	15

Basing on these data, while grouping the countries mechanically, where each group falls within the range of 2, the following groups are created, where:

- within 1-3rank are considered the countries, which includes Uzbekistan and Turkmenistan.
- within 3-5 rank it falls Czech Republic.
- within 5-7 range fall the countries Latvia, Estonia and Poland.
- within 7-9 rank are Armenia, Russia and Ukraine.
- within 9-11 and 11-13 ranges no country is included.
- within the last group 13-15 one included Georgia.

The results of this test show the overall picture of the political stability within the countries under the study. Particularly, the groups have turned out to be composed of quite homogenous countries. This implies that countries of the same group more or less enjoy the same cultural and religious features.

The countries of the first group can be described as an organic unity, which is mostly defined by the east culture. This presupposes a patrimonial type of society, which is mostly based on relations as those existing between master and subservient. Here, this type of the society is described as having a well-subordinated (with hierarchical bases) culture mainly free of ambitions, striving more for stability, rather conservative. “Ties to family, tribe, clan and locality are strong elements of the social fabric of eastern culture” (Karen Dawisha, 1997).

And it is this culture that puts these two countries close to each other, and at the same time, draws a distinguishing line between them and Czech Republic, which is the closest by its scores of political stability to them, but which is different by its development in democracy and economic prosperity. The gap existed between these two groups is not a chance occurrence, as, despite their neighborhood, they are heterogeneous, which precludes their being within the same group. The nearness of these two quite different groups demonstrates that the relation between political stability and democracy is not linear, i.e. not perfect (this hypothesis will be tested in the next part of the paper).

The picture within the other groups also could have been foreseen, as they include countries with rather similar political cultures. Here in the third group we have Estonia, Latvia and Poland, which according to the results of the political stability’s calculations have turned out to fall into the same group, i.e. they are close by the level of political stability. The inclusion of these countries within the same group may be explained by the fact that they all are considered as western countries. Here it should be also stressed the closeness between the countries of the second and third groups, which within the course of time may fall into the same one.

The same picture exists within the next group, i.e. it is quite homogeneous one. This group is composed of such countries as Russia, Ukraine and Armenia, which have been historically considered as a bridge between East and West. This fact has been regarded one of the main reasons of that these very countries came close either to West or East in different periods of their history.

Going deeper into the matter we see that all these countries have experienced close historical development at the end of the 1980s, as they have started with the same wishes for and steps towards democracy. Armenia and Estonia were among the first countries, which via mass demonstrations aspired to acquire independence. Among the former socialistic countries Poland was one of the most active countries in the matter of reforms and changes. This can make us predict and hope that, though, in short-run the difference between the states of the last three groups may be vivid, and in long-run they may come much closer to one another.

### **Historical development**

As starting from 1990s most of the countries under the study have had turning points both in political and economic development. This implies that their historical development was not collinear, i.e. turning points in the development of economy and democracy may have not coincided. So, here it will be more appropriate to do not only cross-national study, but also look at the historical development within each country.

Thus, this part will be dedicated to the study of historical evolution of each country. For this, the span of time, which falls from 1990 till 2001, will be divided into 3 periods and within the frame of each period the political stability of each country will be.

Here, I show the general trend of political stability within the countries, and they are not divided into groups. However, the countries will be ranked just in the way it has been done above. This ranking is just to help us to follow what was taking place within each country within this time span. Table 2 and 3 below display the general trends of the states' historical development beginning from 1990's till 2001.

**Table 2**

Political Stability

<u>Country</u>	<u>1990-1994</u>	<u>1994-1998</u>	<u>1998-2001</u>
1. Turkmenistan	1,5	0	0
2. Uzbekistan	1	0,5	0
3. Georgia	14,5	0,5	0
4. Poland	3,5	2	0,5
5. Czech Republic	2	0,5	1
6. Ukraine	2,5	4	1
7. Estonia	2,5	1,5	1,5
8. Latvia	2	1,5	2
9. Armenia	2,5	1	3,5
10. Russia	3,5	0	4

**Table 3.**

Countries' Rank Order by Time Period

<u>1990-1994</u>	<u>1994-1998</u>	<u>1998-2001</u>
1. Uzbekistan	Turkmenistan	Turkmenistan
2. Turkmenistan	Russia	Uzbekistan



3. Czech Republic	Uzbekistan	Georgia
4. Latvia	Czech Republic	Poland
5. Estonia	Georgia	Czech Republic
6. Ukraine	Armenia	Ukraine
7. Armenia	Latvia	Estonia
8. Russia	Estonia	Latvia
9. Poland	Poland	Armenia
10. Georgia	Ukraine	Russia

As the tables 1 and 2 show, different countries enjoy different places in the ranking of political stability for each of the three periods. These scorings provide a good picture of historical development of political stability within the post-communist countries and allow us to make a judgment concerning turning points or gradual development of political life.

### **1990-1994**

The studies of this period show that the countries of Central Asia, namely, Uzbekistan and Turkmenistan were the most stable countries with the respect of the politics at the beginning of their transition. This can be judged by the top place that they occupy on the scale according to their political stability coefficients. Next to them are Baltic States. The fact that Czech Republic, Estonia and Latvia occupy places near to the top speaks about that they enjoyed more or less political stability during this period.

We cannot say the same about Poland, which has found itself near the bottom, which implies that the state was quite unstable during the first years of its transition. Russia, Ukraine, Armenia

have been found unstable and this is shown by that they are nearer to the bottom. Georgia has turned out to be the most unstable country among the countries under review. This can be explained by the tension that existed in the political arena within this period, which was “crowned” by the coup and overthrowing of the popularly elected leader.

### **1994-1998**

The studies of this period suggest quite a different picture in comparison with that of the previous one, though Asian countries have still been found stable. Here Russia made a substantive change, namely, it jumped from near the bottom to among the top and came close to Uzbekistan and Turkmenistan. The fact that it occupies the second place on the scale of political stability indicates to the existence of high level of stability within the country between 1994 and 1998.

Estonia, Poland and Latvia have turned out to be more unstable in this period of time. They displayed scores in political stability, which have put them even lower on the scale than such countries like Russia, Armenia and Georgia, which were among the most unstable countries within the first period of the study (and in overall stability). Ukraine has turned out to be the most unstable country, as it occupies the last place on the scale.

### **1998-2001**

The study of political stability within this period shows that again some of the countries have undergone changes in the respect of their overall political stability shifting their position from one place into another. Namely, Georgia has gone up on the scale and this brought it close to

Turkmenistan and Uzbekistan. Within this time frame Poland and Czech Republic displayed rather high level of stability in political aspect.

At the same time Baltic States have become more unstable, which is testified by their position on the scale. Armenia has also displayed instability between 1998 and 2001, as it is situated near to the bottom. Though Russia has turned out to be the most unstable within this time frame.

## **Conclusion**

At this point we can sum up the results and draw the general picture of stability within the countries. On the one hand, we have Asian countries, which have been found stable during the whole period of their transition. At the same time we have the Czech Republic, which also displayed a high level of stability (though with a little shifts in position). The example of Georgia, namely, the fact that it has changed its position from the last place to the 3rd one during all these periods, provides a vivid example of that the states have had turning points in their historical development. Within the first period Georgia was in the last place on the scale, i.e. it was notable for its political instability. Third place in the last period implies that it has achieved stability, though this is not the stability, which the Czech Republic has enjoyed all this time. It is rather stagnation characteristic of Uzbekistan and Turkmenistan.<sup>4</sup>

The 5th place occupied by Georgia during 1994-1998 just indicates that it was the turning point in the historical development of the state (after which it came closer rather to Asian

---

<sup>4</sup> Authoritarian leaders operate in a context in which civic institutions and political freedoms are weak and there is little evidence of forward momentum in democratic development. “The political and economic arrangements in such societies persist over time and interest groups within these societies resist incremental political and market change” (A. Karatnycky, 2002). As a result, both political and economic reforms turn out to be stalled.

countries, than that of Czech Republic and Poland).What concerns Poland, the studies have shown that it has also passed its turning point and has achieved stability, which puts it close to the Czech Republic, and which indicates that this stability goes hand in hand with democratic stability.<sup>5</sup> We can't say the same concerning the Baltic States, which in the course of time has been becoming more unstable.

## **Democracy**

### **Necessary factors**

As the new millennium starts, democratization appears to be losing momentum. In retrospect, the initial enthusiasm with the global resurgence of democracy may have been too euphoric and somewhat naïve. In many parts of the world democracy is fading, eroding or failing, disillusionment about democracy has replaced the optimism that marked the early 1990s as elected governments are riddled with corruption, incompetence and instability. Several scholars have argued that a stagnation and even "reversal" of the initial "democratic wave" of political liberalization has taken place, questioning the prospects for genuine democratic consolidation in developing countries. While new democracies possess all the formal institutions

---

<sup>5</sup> Unlike authoritarian one, democratic stability built on public agreement tends to lead to gradual changes, but not abrupt ones. Here these changes are not considered as such, but they rather bear innovative character. Besides, while being based on popular will and accordance, this type of stability is more durable. On the other hand, democratic stability generally provokes reliable ground for economic investment, which will lead to economic growth.

of democracy, these institutions often remain empty shells, failing to function effectively and provide the necessary checks and balances. The emerging democracies of the 1990s have often been referred to as "restricted," "illiberal" or "fragile" democracies. (C. Clague, 1997)

Many works have been devoted to the study of democracy, especially within the countries in transit. Though it is not an easy thing to measure democracy, different criteria have been identified to decide on its presence or absence. These are mainly those, which have been discussed in the first part of the paper. Namely, the free, frequent, fair elections, freedom of speech and mass media, the existence of democratic civil society, the latter does imply “a dense network of nongovernmental associations and groups, established for the autonomous pursuit of diverse socioeconomic interests and activities, the components of which include political parties, independent mass media, churches, business and professional associations, labor unions” (Karen Dawisha, 1997). Lately corruption has also been regarded as a criterion, the existence of which is considered as an indicator of lack of or poor democracy.

“It has become painfully clear”, asserts Carlos Santiso, “that many countries face a tremendous struggle to make democracy work. It is all too common for countries attempting political transitions to achieve the forms but not the substance of democracy. Although significant advances have been achieved in some parts of the world in the past twenty years, the much-heralded global democratic trend has fallen short of expectations of the early 1990s. Many emergent democracies have ended up, "in a gray middle zone of so many transitions of that period, having neither moved rapidly and painlessly to democracy nor fallen back into outright authoritarianism. The pace of change appears to have slowed, making it difficult to distinguish stagnation from cautious gradualism" (Carlos Santiso, 2001).

Democracy has been studied both as a dependent and independent variable, i.e. it has been looked at to which extent the economic growth presupposes a democratic system of a state, or whether democracy does necessarily lead to economic growth and prosperity (in the first case democracy is regarded as a cause, i.e. an independent variable, in the second one, as an effect, i.e. dependent variable). One of such researches concerning the level of democracy within the countries in transit has been done by the world's premier institution Freedom House, on which mainly I am going to rely to reveal the relation between political stability and democracy in the post-communist countries under the study.

Mainly, it has been demonstrated that the countries which have displayed higher degree of transparency in political and economic decision-making, are more democratic. Besides, they also “tend to have a strong and vibrant investigative press and active civil society to investigate and monitor relationships between business and government. This is not to say that democracies are immune to the threat of corruption. Certainly, as the evidence of major corruption scandals in advanced democracies shows, democracy in itself is not a complete guarantor against corruption, though it increases the probability that major instances of corruption will eventually be exposed. But democracy, particularly when it is accompanied by significant deregulation and a strengthened system of the rule of law, can reduce the petty corruption that vexes and saps the life from small business development” (Karatnycky Adrian, 2002).

While speaking about the survey conducted by Freedom House headed by Karatnycky, Steven Fish wrote that “it assigned democratic reform ratings to countries, using a broad range of criteria, a rich set of data, and a sophisticated methodology, which are complex and comprehensive. Here Democratic reform ratings range from 1 to 7, with 1 representing the

greatest extent of democratization and 7 the least” (Steven Fish, 1998). The ratings are brought below in Table4.

## Countries Experience

**Table 4.**

### **Nations in Transit Democratic Reform Ratings by Country**

1. Poland	1,45
2. Czech Republic	1,50
3. Estonia	2,05
4. Latvia	2,15
5. Russia	4,10
6. Ukraine	4,25
7. Georgia	4,55
8. Armenia	4,80
9. Uzbekistan	6,44
10. Turkmenistan	6,94 <sup>6</sup>

Based on these data the following three groups of countries have been distinguished by Karatnycky, Adrian:

- within 1-4 range are those countries, which enjoy high degree of democracy, i.e. it is included those states with rather substantive democratic features, which have been called by the very institution (Freedom House) consolidated democracy. These are Czech Republic, Poland, as well as Latvia and Estonia.
- within 5-8 range are the states with a moderate degree of democracy, i.e. with transitional governments. These are Russia and Ukraine. These countries have been called as transitional

---

<sup>6</sup> See appendix 2 (<http://www.freedomhouse.org/nit98/karat.html>.)

countries. According to Freedom House Armenia and Georgia are also within this range.

- within 9 and 10 fall the countries, which are far from being democratic, i.e. the countries, which have been called consolidated autocracies. This group included two countries, which are Uzbekistan and Turkmenistan.

## **Table 5**

### Data on Democracy and Political Stability

<b>Country</b>	<b>Democracy</b>	<b>Political Stability</b>
1. Poland	1,45	6
2. Czech Republic	1,50	3,5
3. Estonia	2,05	5,5
4. Latvia	2,15	5,5
5. Russia	4,10	7,5
6. Ukraine	4,25	7,5
7. Georgia	4,55	15
8. Armenia	4,80	7
9. Uzbekistan	6,44	1,5
10. Turkmenistan	6,94	1,5

When comparing democratic features with that of political stability within the countries under the study, we see that appears to be a relationship between these two aspects, though, it is not perfect one. This means that inclusion of any of these states within one of these democratic groups does not imply its inclusion within the same group in the table of political stability.

The fact that Czech Republic occupies the third place on the scale of political stability implies that the state enjoys political stability. Here Poland also comes close to the Czech Republic, as it moves up on the scale (according to the data of the third period of the state's historical development). Hence, the latter can also be characterized as stable in its political arena. Thus, we have political stability of these countries.

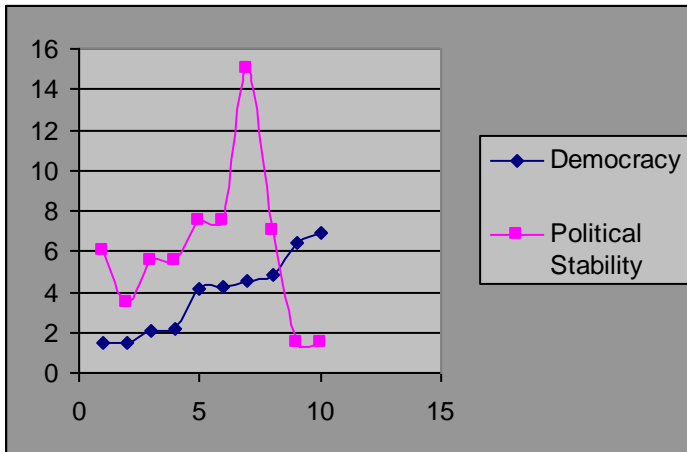


On the other hand, we have Asian states, which have been found the most stable in political aspect, while on the scales of democracy they are in the last group, i.e. these are states described as ones having consolidated autocratic system. (The stability prescribed to these countries has rather a short-run effect, while the states in the first case have long-run stability).

In Baltic States the relation between democracy and political stability is not so clear-cut, as, for example, in Western European countries, as they have been found more democratic than politically stable. This is mainly due to the fact that these countries are still at the turning point in the respect of the political stability. What concerns the other states, the relation between these two variables may be underlined by that they all (Russia, Ukraine, Armenia) are at the turning point in the respect of both stability and democracy. The fact that Georgia, which has already had its turning point (we spoke about it in the previous part) and fallen into the group with the most stable countries, speaks about that it has acquired stability characteristic of the states with consolidated autocracy.

Thus, here we can conclude by the words of Kaare Strom, which have already been mentioned in the first part of the paper. Namely, he says: “it is hypothesized that strongly authoritarian and strongly democratic regimes will exhibit the greatest stability resulting from the reinforcing nature of their respective governance structures. Semi-democracies will be the least stable political system, due to their institutional inconsistency” (Kaare Strom, 2001).

The following chart displays the relations between political stability and democracy within the states under the study. It can be seen that there is a relation between these two variables and drawing line in the center, some symmetries can be found.



## Economy

One of the main purposes of this work is to understand the influence of internal democracy and political stability on the economic welfare of the population for the countries in transition. Indeed, each of these notions may influence the national economy through different factors, bringing its development to different consequences. While democracy is a factor influencing an evenness and fairness of the distribution of national resources, which is crucial for creation of free market relations and fair competition; political stability is more a psychological aspect affecting a perception of the risk evaluation for enlarging business activities inside the country. While speaking about economic policy and its effectiveness, we have to pay significant attention to the psychological aspect of the problem, that is to the perception and trust that the general public has toward the government and the policy it implements. In this context, democracy can

have a greater psychological impact, increasing trust of the general public in the economic policy of the government. This helps make the implementation of these policies more effective. The role of the political stability here is two-fold: on the one hand, guaranteeing more consistency in the economic policy, it may increase the trust of the general public and decrease the economic risk. On the other hand, since a stable political authority may (hypothetically) lead to more monopolization of the economy. Political stability in these cases will affect the trust of the general public in the government and the policy it implements. This, in its turn, may lead to the effect other than this policy initially intended to be achieved<sup>7</sup>. In this context political stability as well as democracy becomes the two political factors important and responsible for the development of the country in transition.

While in the previous part of this work we came to the conclusion that sometimes these two notions can be mutually exclusive, at other times it is rather difficult for some countries in transition to achieve both of them. It is here that we will try to discover an achievement of which one from these two notions is more crucial and preferable from an economic point of view.

At this part we will try to discover in how many cases democracy and/or political stability coincide the economic development of the country in its period of transition (looking into the history of their transition); and how securely we can claim that the enhancement of the level of political stability or democracy will lead to the economic development of the country. If we can claim it in general.

---

<sup>7</sup> It is important here to keep in mind that even in the case when the lack of the trust of the general public is not interfering with the implementation of the policy, the implementation of this policy may have objectives other than economic development of the country, and in some cases even contradicting this development.

### *What is economic development and how it is measured?*

Though there are great variety of the factors describing an economic situation in the country (like the level of investment, consumption, unemployment or the balance of payment and so on), one of the widely used factors for the comparison of economic situation inside the countries, is the Gross Domestic Product (GDP). This is partially because GDP encompasses most of the other economic factors. Thus, one of its equations is:

$$\text{GDP} = C + I + G + X$$

Where:

C is the level of consumption

I is the level of investments

G is the level of governmental expenditures

X is the level of net export

- And even the level of unemployment rate, which is not directly presented in this equation, is strongly and negatively correlated with GDP. Okun proved that any increase of 1% of the unemployment rate in USA leads to the decrease of 2.5% of GDP (N. G. Mankiw, 1992). This figure must be much greater for the transitional economies, where more workers are involved in the production of one unit of goods due to poorer equipment and a lower level of productivity. Another reason, why the GDP is used in measuring national economies, is its availability and relative easiness to compute. In the following section the economy is discussed.

## *Factor of the economic growth*

### **Growth of GDP**

There are several major reasons why GDP growth rate and not GDP itself is taken into consideration. First of all, the countries under the study in this work are quite different in their sizes, populations, national resources and so on. These lead to great differences in their production abilities and economic restrictions, making absolute values of their GDPs incomparable. This means there is a little sense in comparing GDPs of Russian Federation and Republic of Armenia by their absolute values. On the other hand, GDP growth rate as a relative value makes the comparison reasonable even for such different countries like Armenia and Russia.

Secondly, democracy and political stability, being mainly of the psychological aspect (which means that there will be a significant time lag between changes in the level of democracy or political stability as a cause, and changes in the levels of economic factors as an effect) need to be correlated with dynamic economic factors rather than with static ones. Thus, here the growth rate of GDP as a factor indicating dynamics of the economic growth of the country is more appropriate for its comparison with changes in political situation within the country (which is political stability) or achievements in the movement toward the foundation of a democratic society, rather than a mere GDP level, which is like a snapshot of the economy at the given moment.

Thirdly, GDP growth rate is one of the most important economic factors that indicates how well an economy is doing. It must be of a much higher significance for the transitional economies than for the so-called developed economies, since in the transitional countries less than the full potential of the producing opportunities is used. For transitional economies it becomes even more important, since for these economies this variable is also connected with a psychological factor, which is a very inert, least predictable and influential factor. For these economies it is more possible at the beginning of their transition to have an economic growth not only equal to “0” but also less than “0”. This can have a profound psychological effect making the national economy to be perceived as a zero sum game, i.e. one can get exactly what the others have lost because of that no economic growth takes place. So here the process of the national income redistribution becomes much more important than the process of its creation.

The Gross Domestic Product (or GDP) is just a total volume of the goods produced inside the given country in the given year, expressed in their prices. GDP growth rate is a year on year change for the GDP.

**Table 6**

Growth of Real GDP

Country	Percentage of GDP of year 2001 in GDP year 1990 (Ratio)*
Uzbekistan	95
Turkmenistan	63
Czech Republic	99
Georgia	29
Latvia	61
Ukraine	43
Armenia	67

Poland	144
Russia	64
Estonia	85

\*See appendix 3

**Table 7**

Country	The GDP growth rate for the period 1990 to 2001*
Poland	44%
Czech Republic	-1%
Uzbekistan	-5%
Estonia	-15%
Armenia	-33%
Russia	-36%
Turkmenistan	-37%
Latvia	-39%
Ukraine	-57%
Georgia	-71%

Basing on these data and those on political stability and democracy calculated and brought in the previous sections the following table can be drawn:

**Table 8**

	<b>Economic Growth</b>	<b>Democracy</b>	<b>Political Stability</b>
Poland	1	1	6
Czech Republic	2	2	3
Uzbekistan	3	9	2
Estonia	4	3	4
Armenia	5	8	7
Russia	6	5	8
Turkmenistan	7	10	1
Latvia	8	4	5

Ukraine	9	6	9
Georgia	10	7	10

Basing on this table we can see that the countries' measures for three aspects, namely, political stability, economy and democracy differ from one another. This range is not substantive for all countries. On the one hand, we have Czech Republic, which occupies quite close places on the scales of three variables. Estonia also displays measures with small range of ratings in all aspects. Here Georgia, Ukraine, Russia and Armenia ratings are close to some extent, which allow us to see a certain relation among political stability, democracy and economic growth in some of the countries.

On the other hand, we have countries like Latvia, Turkmenistan, which have shown quite different measures in the areas under the review. Poland occupies positions close each to another in the respect of economic growth and democracy ratings, while has different ones with the respect of political stability and those of economic growth and democracy. All these differences indicate to the weak relations between these three variables. They also help us to see that there is no regularity in these relations.

## ***Conclusion***

The purpose of this paper was to reveal the relationships between three variables, namely, political stability, democracy and economic growth. This research has shown that while political stability may go hand in hand with democracy, the former may also indicate an absence of the



latter. Still the following observation may be drawn. First, political stability along with democracy may be considered to exist in long-run. That is, over a lengthy period of time an outcome of a nation's evolution could mean that both stability and democracy have occurred. At the same time, the absence of democracy might very well indicate a fragile stability

When comparing democratic features with that of political stability within the countries under the study, we have seen that actually there is a relationship between these two aspects, though, it is not linear, i.e. not perfect one. This means that inclusion of any of these states within one of these democratic groups does not imply its inclusion within the same group in the table of political stability.

On the one hand, we have Asian countries, which have been found stable during the whole period of their transition. At the same time we have the Czech Republic, which also displayed a high level of stability (though with a little shifts in position).

The example of Georgia, namely, the fact that it has changed its position from the last place to the 3rd one during all these periods, provides a vivid example of that the states have had turning points in their historical development. At the same time any country under the study may be still at its turning point.

While defining the relationships between political stability, democracy and economic growth, we can see from all these analysis that there is rather weak relation between the level of democracy achieved by the country and its economic development. Some countries enjoy close positions on the scales of these three variables. At the same time we have countries which display widely ranging scores. This may force us to conclude that there are some relations between the factors of political stability, democracy and economic growth, though they are weak.

The fact that some of the countries come close to this or that ones and at the same time drift away from others, thus allowing us to group them, may be explained, in my opinion, by the factor of culture. The latter presupposes political culture and even economic relations, hence, economic growth. Ability of simple bargaining, making concessions, as well as cooperate, which are regarded as integral parts of economic relations may lead to either high or low level of economic development of the country. Thus, we can conclude that economic growth is rather influenced by culture than democracy or political stability.

Since having launched all the political and economic changes, the countries in transition claim that all these changes would lead them to the lifestyle with higher economic welfare. Here we can conclude that the 12-year historical period of 10 countries in transition proves that these democratic changes have not necessarily led to the improvement of the economic conditions inside the country. Though, one here can argue that none of the countries under the study has achieved the critical level of democracy crucial for influencing the national economy.

On the other hand, the situation is even worse with the political stability. This notion became of a great interest after the countries had entered their transitions. After the first stage of intensive changes, the notion of the political stability became rather popular inside the countries, especially in the countries somehow involved into the so-called interregional conflict, like Armenia was. Political stability that had been perceived as a high level of the national security changed and was replaced by one, which claimed that political stability was to be one of the main guarantees for the more or less noticeable achievements in the national economy. This claim is based on the argumentation that, on the one hand, economic transition needs to have a well developed long term economic program, which must be implemented from its beginning to its end (instead of

being changed after every stage, when after a new group of people comes to implement it). On the other hand, it advocates the claim that long term political instability will lead to the economical instability, which, in turn, will bring greater contingency into business environment and increase business risk inside the country.

## *Appendixes*

### **Appendix 1**

## **Leaders of Uzbekistan** (Republic of Uzbekistan)

---

### President of the Republic

[Islam Abduganiyevich Karimov](#) 1 Sep 1991

---

### Prime Ministers

Abdulhashim Mutalov	8 Jan 1992 - 21 Dec 1995
Utkir Sultanov	21 Dec 1995 -

---

10/16/02 23:14:16

## **Leaders of Turkmenistan**

---

### President of the Republic

---

## Prime Minister

Khan Akhmedov 1991 - 18 May 1992

© Copyright ZPC, Roberto Ortiz de Zárate, 1996-2002  
<http://www.terra.es/personal2/monolith/turkmen.htm> |  
Last Updated: 10/16/02 05:09:32

# Leaders of Georgia

---

## Heads of State

### **President of the Republic**

Zviad Gamsakhurdia 9 Apr 1991 - 6 Jan 1992 (+1993)s (1)

### **Chairmen of the Military Council**

Jaba Ioseliani +  
Tengiz Kitovani 2 Jan 1992 - 10 Mar 1992

### **President of the Republic**

[Eduard Shevardnadze](#) 10 Mar 1992 - (2)

(1) Chairman of the Supreme Council to 14 Apr 1991.

(2) Chairman of Council of State to 6 Nov 1992 and chairman of the Parliament performing the duties of head of State from that date to 26 Nov 1995.

---

## Prime Ministers

Tengiz Sigua 15 Nov 1990 - 6 Aug 1993  
[Eduard Shevardnadze](#) 6 Aug 1993 - 20 Aug 1993 (acting)  
Otar Patsatsia 20 Aug 1993 - 5 Oct 1995

[\[To the list of countries\]](#)

---

© Copyright ZPC, Roberto Ortiz de Zárate, 1996-2002  
<http://www.terra.es/personal2/monolith/georgia.htm> |  
Last Updated: 10/14/02 17:56:55

## Czech Republic

---

### Presidents of the Republic

Václav Klaus 1 Jan 1993 - 2 Feb 1993 [picture] ODS (acting)  
Václav Havel 2 Feb 1993 - [picture]

---

### Prime Ministers

Václav Klaus 1 Jan 1993 - 17 Dec 1997 [picture] ODS  
Josef Tosořsky 17 Dec 1997 - 17 Jul 1998 [picture] n/p  
Milos Zeman 17 Jul 1998 - 12 Jul 2002 [picture] CSSD

---

## Leaders of Latvia

(Republic of Latvia)

---

### Heads of State

#### **Chairman of the Supreme Council**

Anatolijs Gorbunovs 4 May 1990 - 7 Jul 1993

#### **Presidents of the Republic**

[Guntis Ulmanis](#) 7 Jul 1993 - 8 Jul 1999

[Vaira Voke-Freiberga](#) 8 Jul 1999 -

(\*) Since 15 Sep 1992 styled simply head of State.

---

### Prime Ministers

Ivars Godmanis	5 May 1990 - 8 Jul 1993	
Valdis Birkavs	8 Jul 1993 - 15 Sep 1994	LC
Maris Gailis	15 Sep 1994 - 21 Dec 1995	LC
Andris Skele	21 Dec 1995 - 7 Aug 1997	n/p
Guntars Krasts	7 Aug 1997 - 26 Nov 1998	TB/LNNK
Vilis Kristopans	26 Nov 1998 - 16 Jul 1999	LC
Andris Skele	16 Jul 1999 - 5 May 2000	TP
<a href="#">Andris Berzins</a>	5 May 2000-	LC

---

## Leaders of Ukraine

### Presidents of the Republic

Leonid Makarovykh Kravchuk 5 Dec 1991 - 19 Jul 1994

[Leonid Danylovych Kuchma](#) 19 Jul 1994 -

---

### Prime Ministers

Vitold Pavlovych Fokin	14 Nov 1990 - 2 Oct 1992
Valentyn Kostyantynovych Symonenko	2 Oct 1992 - 13 Oct 1992
<a href="#">Leonid Danylovych Kuchma</a>	13 Oct 1992 - 22 Sep 1993
Yukhym Leonidovych Zvyahilskiy (acting)	22 Sep 1993 - 16 Jun 1994
Vitaliy Anriyovych Masol	16 Jun 1994 - 1 Mar 1995
Yevhen Kyrylovych Marchuk (acting to 8 Jun 1995)	1 Mar 1995 - 28 May 1996
Pavlo Ivanovych Lazarenko	28 May 1996 - 2 Jul 1997
Vasyl Vasylyovych Durdynets (acting)	19 Jun 1997 - 16 Jul 1997
Valeriy Pavlovych Pustovoytenko	16 Jul 1997 - 22 Dec 1999
Viktor Andriyovych Yushchenko	22 Dec 1999 - 29 May 2001
Anatoliy Kyrylovych Kinakh	29 May 2001 -

## Leaders of Russia

(Russian Federation)

---

### Presidents

[Boris Nikolayevich Yeltsin](#) 10 Jul 1991 - 31 Dec 1999 (1)  
[Vladimir Vladimirovich Putin](#) 31 Dec 1999 - (acting to 7 May 2000)  
(1) Chairman of the Presidium of the Supreme Soviet of the Russian SFSR from 29 May 1990 to 10 Jul 1991.

### Prime Ministers

[Ivan Stepanovich Silayev](#) 15 Jun 1990 - 26 Sep 1991 [[picture](#)]  
[Boris Nikolayevich Yeltsin](#) 6 Nov 1991 - 15 Jun 1992 [[picture](#)]  
[Yegor Timurovich Gaidar](#) 15 Jun 1992 - 14 Dec 1992 [[picture](#)] (acting)  
[Viktor Stepanovich Chernomyrdin](#) 14 Dec 1992 - 23 Mar 1998 [[picture](#)]  
[Boris Nikolayevich Yeltsin](#) 23 Mar 1998 - 23 Mar 1998 [[picture](#)] (acting, hours)  
[Sergey Vladilenovich Kirienko](#) 23 Mar 1998 - 23 Aug 1998 [[picture](#)] (acting to 24 Apr 1998)  
[Viktor Stepanovich Chernomyrdin](#) 23 Aug 1998 - 11 Sep 1998 [[picture](#)] (acting)  
[Yevgeniy Maksimovich Primakov](#) 11 Sep 1998 - 12 May 1999 [[picture](#)]  
[Sergey Vladimirovich Stepashin](#) 12 May 1999 - 9 Aug 1999 [[picture](#)] (acting to 19 May 1999)  
[Vladimir Vladimirovich Putin](#) 9 Aug 1999 - 7 May 2000 [[picture](#)] (acting to 16 Aug 1999)  
[Mikhail Mikhaylovich Kasyanov](#) 7 May 2000 - [[picture](#)] (acting to 17 May 2000)

---

Last Updated: 10/14/02 18:01:04

## Leaders of Armenia

(Republic of Armenia)

---

### Presidents of the Republic

[Levon Ter-Petrosyan](#) 23 Sep 1991 - 3 Feb 1998  
[Robert Kocharyan](#) 4 Feb 1998 -  
(acting to 9 Apr 1998)

---

### Prime Ministers

Vazgen Manukyan	13 Aug 1990 - 22 Nov 1991
Gagik Arutyunyan	22 Nov 1991 - 30 Jul 1992
Khosrov Arutyunyan	30 Jul 1992 - 2 Feb 1993
Hrant Bagratyan	2 Feb 1993 - 4 Nov 1996
Armen Sargsyan	4 Nov 1996 - 20 Mar 1997
<a href="#">Robert Kocharyan</a>	20 Mar 1997 - 10 Apr 1998
Armen Darbinyan	10 Apr 1998 - 11 Jun 1999
Vazgen Sargsyan	11 Jun 1999 - 27 Oct 1999
Aram Sargsyan	3 Nov 1999 - 12 May 2000
Andranik Margaryan	12 May 2000-

---

© Copyright ZPC, Roberto Ortiz de Zárate, 1996-2002  
<http://www.terra.es/personal2/monolith/armenia.htm> |  
 Last Updated: 10/14/02 17:49:51

## Leaders of Estonia

(Republic of Estonia)

### Heads of State

#### **Chairman of the Supreme Council**

[Arnold Rüütel](#) 8 May 1990 - 6 Oct 1992

#### **President**

[Lennart Georg Meri](#) 6 Oct 1992 - 8 Oct 2001

[Arnold Rüütel](#) 8 Oct 2001 -

---

### Prime Ministers

Edgar Savisaar	3 Apr 1990 - 30 Jan 1992	<i>Rahvarinne</i>
Tiit Vdhi	30 Jan 1992 - 21 Oct 1992	n/p
<a href="#">Mart Laar</a>	21 Oct 1992 - 8 Nov 1994	RK <i>Isamaa</i>
Andres Tarand	8 Nov 1994 - 17 Apr 1995	n/p
Tiit Vdhi	17 Apr 1995 - 17 Mar 1997	KMB-K
Mart Siimann	17 Mar 1997 - 25 Mar 1999	KMB-K
<a href="#">Mart Laar</a>	25 Mar 1999 - 28 Jan 2002	IERSP
<a href="#">Siim Kallas</a>	28 Jan 2002 -	RE

---

(List courtesy of Mel Huang)

## Leaders of Poland

(Polish Republic)

### Heads of State

### Presidents of the Republic

Wojciech Jaruzelski 19 Jul 1989 - 22 Dec 1990 n/p

[Lech Walesa](#) 22 Dec 1990 - 23 Dec 1995

Solidarnosc

[Aleksander Kwasniewski](#) 23 Dec 1995 - SdRP/SLD

### Prime Ministers

Jan Krzysztof Bielecki 4 Jan 1991 - 5 Dec 1991 KLD

Jan Olszewski 6 Dec 1991 - 5 Jun 1992 PC

Waldemar Pawlak 5 Jun 1992 - 8 Jul 1992 PSL

Hanna Suchocka 8 Jul 1992 - 26 Oct 1993 UD

Waldemar Pawlak 26 Oct 1993 - 6 Mar 1995 PSL

Jyzef Oleksy 6 Mar 1995 - 7 Feb 1996 SdRP/SLD

Wlodzimierz Cimoszewicz 7 Feb 1996 - 31 Oct 1997 SdRP/SLD

[Jerzy Karol Buzek](#) 31 Oct 1997 - 19 Oct 2001 RS AWS/AWS

[Leszek Miller](#) 19 Oct 2001 - SLD

© Copyright ZPC, Roberto Ortiz de Zárate, 1996-2002

<http://www.terra.es/personal2/monolith/poland.htm> |

Last Updated: 10/15/02 23:14:35

## Appendix 2

Rankings and Classifications East Central Europe and NIS*	
Democracy Rankings	
<i>Consolidated Democracies</i>	
	Democ
Poland	1.45
Czech Republic	1.50
Hungary	1.50
Lithuania	1.95
Slovenia	1.95
Estonia	2.05
Latvia	2.15
<i>Transitional Governments</i>	
	Democ



Mongolia	3.25
Bulgaria	3.55
Slovakia	3.65
Romania	3.85
Macedonia	3.95
Moldova	4.00
Russia	4.10
Croatia	4.25
Ukraine	4.25
Georgia	4.55
Kyrgyz Rep.	4.70
Albania	4.75
Armenia	4.80
Yugoslavia	4.90
Kazakhstan	5.35
Azerbaijan	5.55
<i>Consolidated Autocracies</i>	
	<b>Democ</b>
Uzbekistan	6,44
Turkmenistan	6,94

Source: in Nations in Transit by Karatnycky, Adrian (2002)

### Appendix 3

“What Can Transition Economies Learn from the First 10 Years?”

**The Transition Recession, Selected Countries**

<b>Country</b>	<b>Consecutive years of output decline</b>	<b>Cumulative output decline (percent)</b>	<b>Real GDP, 2001 (1990=100)</b>
Central Southern Europe and the Baltics	4	23	107
Albania	3	33	110
Bulgaria	4	16	81
Croatia	4	36	87
Czech Republic	3	12	99
Estonia	5	35	85
Hungary	4	15	109
Latvia	6	51	61
Lithuania	5	44	67
Poland	2	6	144
Romania	3	21	82
Slovak Republic	4	23	105
Slovenia	3	14	120
CIS	7	51	63
Armenia	4	63	67
Azerbaijan	6	60	55
Belarus	6	35	88
Georgia	5	78	29
Kazakhstan	6	41	90
Kyrgyz Republic	6	50	66
Moldova	7	63	35
Russian Federation	7	40	64
Tajikistan	7	50	48
Ukraine	10	59	43
Uzbekistan	6	18	95
Turkmenistan			63

- a. Simple average, except for the index of 1990 GDP, which shows population-weighted averages.  
*Source:* World Bank; Maddison (1982).

### **References:**

**Bienen and Van De Walle** in “Is Democracy Stable? Compared to What?” A Preliminary Exploration by Mundt, J. Robert.  
<http://www.stier.net/writing/demstab/demstab.htm>

**Clague, C. (1997)** Institutions and Economics development: growth and governance in less developed and post-socialist countries. Baltimore, Calif.: Johns Hopkins University Press.

**Dawisha, Karen (1997)** Post-Communist Troubled Steps Toward Democracy: An Aggregate Analysis of Progress in the 27 New States. Center for the Study of Post-Communist Societies. Maryland University. College Park, Maryland 20742.

**Fish, Steven M. (1998)** “Democratization’s Requisites: The Postcommunist Experience”. Post-Soviet Affairs. V. H. Winston & Son, Inc.

**Karatnycky, Adrian (2002)** Nations in Transit: From Change to Permanence. Freedom House.  
<http://www.freedomhouse.org/nit98/karat.html>.

**Katchanovski, Ivan (2000)** “Divergence in Growth in Post-Communist Countries” Journal of Public Policy, 20, 1, 55-81, Copyright: Cambridge University Press  
<http://www.iso.gmu.edu/~ikatchal/GrowthdivergenceJPP2000.html>

**Kitschelt, Herbert (1999)** Post-communist party systems: competition, representation, and interparty cooperation. Cambridge, N.Y.: Cambridge University Press.

**Lemco, Jonathan (1991)** Political Stability in Federal Governments. New York, Westport, Connecticut, London.

**Mankiw N. Gregory (1992)** Macroeconomics. Worth Publishers Inc., 33 Irving Place, New York, NY 10003 USA

**Mesquita, Bruce and Root, Hilton (1999)** “Governing for Prosperity”. Source is Internet: Web-Page <http://www.yale.edu/yup/signupemail.html>

**Mundt, J. Robert** (1999) “Is Democracy Stable? Compared to What?” Democracy and Local Governance. <http://www.stier.net/writing/demstab/demstab.htm>

**Ortiz de Zárate, Roberto** (2002) (<http://www.terra.es/personal2/monolith/country.htm>)

**Santolaya, Pablo** (1997) Constitutionalism: America and Beyond. IFES, UN-DESA, IDEA

**Santiso, Carlos** (2001) “Assessing Democracy Assistance: Untying the Gordian Knot”  
Colección de documentos. Instituto Internacional de Gobernabilidad.  
(WebPages: <http://www.iigov.org>)

**Strom, Kaare** (2001) “Democracy, Accountability, and Coalition Bargaining” Department of Political Science California, San Diego and Department of Comparative Politics, University of Bergen (<http://www.phototour.minneapolis.mn.us/>)

World Bank Report “What Can Transition Economies Learn from the First 10 Years?”  
<http://www.worldbank.org/transitionnewsletter/janfeb2002/pgs11-14.htm>