Index

Abramowitz, M. 95, 96
active labour market policies (ALMPs) 177–8, 179, 180, 225, 237–9
actuarial pension systems see multipillar pension systems; notional defined contribution (NDC) pension systems; private pensions
adjustable peg exchange rates 118, 119
administrative capacity, shortage of in transition economies 175, 181, 267
age, of retirement 186, 188, 189, 190, 224, 228, 244, 245, 249, 258, 272–3, 280–81 see also demography, in relation to pensions
Aghion, P. 26, 95
agriculture, share of in GDP in transition economies 21–3
aid, to transition economies 26–7, 40
Akerlof, G.A. 214
Albania
economic performance 84, 85, 270
economic reform programme in 4, 9, 14, 297–8
pension system 245, 247, 253, 254, 255, 262–3
unemployment benefit design in 179
Alesina, A. 240, 274
allocative (external) efficiency, education 204–7
annuities market risk, in relation to pensions 197
‘appreciation bubble’ 129, 136, 137, 140
Armenia 9, 63, 74, 248, 253, 264
ASEAN countries, GNP 53–9
Asian financial crisis 103, 106, 107, 114, 115, 116, 154–5, 156
Åslund, A. 27, 36
Atkinson, A.B. 210
Audrenrode, M.A. 237
authoritarianism, ubiquitous nature of 294–5
Azerbaijan 21, 70, 75, 258
Balcerowicz, L. 24, 26, 104, 294, 298, 299
comment by 292–3
Baldassari, M. 241
Balkans 120, 295, 296–8, 301
Baltic countries
economic performance 4–13, 21–37, 67, 85–6, 90
inflation and stabilization in 14–20
welfare system in 171, 173, 194, 252, 270
‘banking sector liquidity fund’ (BSLF) 139
banking system 62, 78, 105, 107, 113, 155, 160, 161–2
see also capital; financial crises; financial markets, transition economies
Barberis, N. 44
Barbone, L. 51
Barr, N. 170, 173, 195, 203, 205, 208, 211
comments on 219–34, 236–41, 285, 290
Barro, R.J. 95
Belarus 14, 19, 38, 48, 65, 67, 253, 264, 271
benefits
pensions 245, 249, 251, 258, 272, 281
unemployment 177, 179–80, 224, 225, 229
see also contributions–benefit linkage
Berg, A. 35–7, 38, 78
Bernanke, B.S. 164
Beveridge approach, welfare benefits see flat-rate benefits
Bialecki, I. 230
big bang arguments, privatization 26
Blanchard, O. 26, 35
block grants, in poverty relief 182
Boeri, T. 180
Bokros, L. 42, 91
Boldrin, M. 257
bond market capitalization 105
Boone, P. 44
Bosnia 120–21, 245
Boycko, M. 26
Brada, J.C. 159
Brainard, E. 44
Bratkowski, A.S. 122, 144, 164
‘bridge pensions’ 228–9
Brüggemann, A. 160–61
Brüning, H. 300
budget deficits, limiting of 107
Buiter, W. 140
Bulgaria
currency regimes 120–21
economic performance 53, 67, 84–5
economic reform programme in 4, 14, 15, 21, 78–80
financial crisis in 116, 120
pension system 245, 252, 257, 264, 265, 275
political dimension to reform process 293
poverty relief in 184, 185
unemployment in 171
Calvo, G. 43
capital
account liberalization, arguments for and against 114–15, 161
controls 115–16, 117
flight 41, 116, 161
flows, transition economies 26–7, 28–9, 115–16, 125–45, 233
investment, in transition economies 56–7
markets, in relation to pensions 211–12, 229, 252, 262
mobility 15, 238
see also currency; financial markets, transition economies
Caprio, G. 139
catch-up, of transition economies with EU
critique of Warner’s analysis 94–100
data 77–83
empirical strategy, regression analysis 84–5
historical facts concerning 66–76
overview of issues 63–6
Poland, progress made in 102–8
prospects for, assessment of 90–91
regression results 85–90
in relation to adoption of euro 140–41
testing for convergence, methodology 76–7
CEE (Central and Eastern European)
countries
in aftermath of Russian payments crisis 148–64
assessment of reforms in 59–60
consequences of global integration of financial markets 113, 116, 120–22
economic performance 4–13, 21–37, 53–9, 63–91, 94–100, 102–8
inflation and stabilization in 14–20
pension reform see pension reform, in post-communist countries
welfare state reforms in 169–213, 219–34, 236–41
Central Bank of the Russian Federation (CBRF) 149
central planning system
in contrast to genuine transition economies 48–50
regression analysis of economic legacy 51–60
welfare system under 170–71, 219–20, 221–3, 236–7
Chand, S.K. 194
change-of-job tests 189
Cheasty, A. 43
‘Chenery hypothesis’ 55
Chile, pension system 195, 200, 201, 203, 264
China, sequencing of reforms 116
Chlon, A. 268
Ciccone, A. 241
CIS see Commonwealth of Independent States (CIS)
Citrin, D. 43
CLI index, transition economies 27, 29, 32–5
Commonwealth of Independent States (CIS)
impact of reforms on output 171
impact of Russian financial crisis 152–3, 156
welfare system and pensions in 173, 189, 194, 206, 213, 272–6
see also Former Soviet Union (FSU)
communism, continuing impact on transition economies 21–4, 42, 51–60, 84, 85–6, 108
consumption smoothing 126–35, 177, 179, 255, 256, 257, 258, 264
‘contagion effects’, financial crises 148, 153, 155–6, 160–64
contractionary shock, following unilateral euroization 140
contributions–benefit linkage
in relation to pensions 190, 245–7, 251–2, 256, 279–80 see also multpillar pension systems; private pensions
in relation to welfare state benefits 178–9
convergence see catch-up, of transition economies with EU
Cooper, R.N. 116
coping mechanisms 256
Coricelli, F. 43
corruption, in transition economies 40, 41, 58, 107–8, 151, 152
crawling peg exchange rate system 15, 118, 107, 137
Croatia
economic reform programme in 9, 14, 21, 49–50
GNP 53
pension system 186, 189, 192, 194, 195, 252, 254, 257, 261, 264, 265
currency
appreciation 126–9, 132, 135, 136, 137, 140, 161
arbitrage 116–17
boards 14, 15, 117, 120–21, 144
depreciation 132–4, 135
regimes 117–22
reserves, as shield against financial crises 161–2
current account deficits, arising in EU applicant countries 125–45
Czech Republic
currency crisis 120, 155, 156, 161
economic performance 53, 64, 66, 70, 75, 106, 128–9, 163
economic reform programme in 14, 21, 39, 49–50
exchange rate policy 15, 137
fiscal policy 134, 138
monetary policy 121
pension system 189, 192, 202, 203, 209, 244, 245, 251, 252, 254, 264
poverty in 173
response to Russian financial crisis 148, 153–7, 159, 164
unemployment in 177
Czernomyrdin, V. 150
Dabla-Norris, E. 52
Djubrowski, M. 122, 153
Daianu, D. – comment by 293–6
Davis, J.M. 43
De Broeck, M. 42, 44
de Larosiere, J. – comment by 289
de Melo, M. 27, 35, 37, 77, 78
defined benefit (DB) pension systems 257, 262, 264, 266, 270, 279
defined contribution (DC) pension systems 202, 228, 257, 260, 262, 264–7, 270, 271, 279
see also notional defined contribution (DC) pension systems
Demarco, G. 268, 269
democracy, in relation to transition 205–6, 207, 290, 297
demography, in relation to pensions 186, 195–6, 224, 245, 249, 250, 251, 252–3, 254, 274, 280
see also retirement age, in relation to pensions
Denizer, C. 43, 78
Deutsche mark 15, 121
Dewatripont, M. 26
Diamond, P. 200, 203
disability pensions 245, 280
Dmitriev, M. 213, 273
Döhrn, R. 60
dollarization 14, 15, 120, 121, 149
Dornbusch, R. 114–15, 133, 144
duality, of world economy 95
Dumas, C. 96
Dutch disease 40

East Germany (GDR) 278, 283
EBRD (European Bank for Reconstruction and Development) 26, 27, 37, 51, 60, 77, 78, 270
economic growth in transition economies, after ten years and failure of communist system 170–75
inflation and stabilization 14–20
key issues and future prospects 37–42, 59–60
output levels and interpretation of 4–13, 21–37, 48–50
overview of issues 3, 51–3
regression analyses concerning 53–9
in relation to European Union 63–100
in relation to globalization 102–8
in relation to welfare state 210–12, 240
economic stagnation, as indicator of successful economic reform 50
educational reform, in post-communist countries
external (allocative) and efficiency objectives of 204–5
policy directions and progress in 57, 59, 207–8, 221, 229–32, 237–8, 239–40
prospects, assessment of 209
Edwards, S. 115, 116
Eichengreen, B. 116, 118, 119, 120
eligibility criteria, benefits pensions 245, 272
unemployment benefit 179, 224
EMU 107, 108
see also euro, adoption of by EU applicant countries
Erhard, L. 300
ERM crisis (1992) 119
Estonia
currency regime 121
economic performance 53, 65, 77
economic reform programme in 14, 39, 50
exchange rate policy 137
pension system 194, 195, 257, 265
poverty and poverty relief in 173, 184–5
EU see European Union
euro, adoption of by EU applicant countries
assessment of implications 145
fiscal and monetary policy, implications for 129–35
inflation, interest rates and exchange rates in accession period 135–8
medium and long-run trends in applicant countries 126–9
overview of macroeconomic issues 125
unilateral introduction of, macroeconomic implications 138–44
European Bank for Reconstruction and Development (EBRD) 26, 27, 37, 51, 60, 77, 78, 270
European Central Bank 140–41
European Monetary Union (EMU) 107, 108
see also euro, adoption of by EU applicant countries
European Social Charter 209–10
European System of Central Banks 138–9
European Union applicant countries, macroeconomic implications of adoption of euro 125–45
catch-up, prospects of for transition economies 63–91, 94–100, 102–8
impact of accession on welfare state reforms 232–3
implications of candidacy status in relation to Russian financial crisis 160, 164
labour market adjustment in relation to accession to 209–10
membership of as spur to structural reform 42
monetary policy implications of accession to 122
exchange rates
impact of Russian financial crisis on 155–6
expectations–reality gap, reforms 291
external (allocative) efficiency, education 204–7
external liberalization indicator (LIE) index, transition economies 27, 29, 31, 32–3, 78
‘extraordinary politics’ 24, 298–301
Fedorov, B. 44
Feldstein, M. 240
Ferge, Z. 229
Fidrmuc, J. 141
financial crises
Asian 103, 106, 107, 114, 115, 116, 154–5, 156
exposing weaknesses of intermediary regimes 119
Russian see Russian financial crisis
financial markets
economic and monetary sovereignty, limitations imposed by globalization 116–17
monetary independence, feasibility of for transition economies 120–22
monetary policy and exchange rate regime, choosing of 117–20
in transition economies, overview 52, 57–8, 62, 105–7, 113, 198
see also banking system; capital; financial crises
Fink, G. 161
‘first-generation model of currency crises’ 119
fiscal balances, transition economies 15, 18–20
fiscal policy, in relation to EU applicant countries 134–5, 138
Fischer, S. 43, 44, 51, 66, 104, 114
comments on 48–50
fixed exchange rate regimes 14, 117, 133, 137, 138
flat-rate benefits
pensions 249, 251, 258, 281
unemployment benefits 177, 179, 224, 225, 229
flattened PAYG scheme 273–4, 276
Flemming, J. 230
flexible exchange rate regimes 13, 14, 137, 138, 148, 155
floating exchange rates 115, 117, 118, 119, 120, 133, 137
Former Soviet Union (FSU) countries
consequences of global integration of financial markets 113, 116, 120–22
economic performance 4–13, 21–37, 53–60, 63–91, 171
inflation and stabilization in 14–20
pension systems 189, 194, 213, 243–67, 270–76
Russian financial crisis, impact of 152–3, 156
welfare state reforms in 169–75, 178, 184, 185, 206, 219
see also structural reform, in transition economies
Frankel, J.A. 117, 118
Freeman, S. 52
free-rider behaviour, welfare benefits 223
Frenkel, J. 43
Freund, C. 67
Frydman, R. 39
FSU countries see Former Soviet Union (FSU) countries
‘Fujimori syndrome’ 295
full employment 224, 244
funded pension systems 187, 211–12, 257, 264–7, 273–4, 275, 276, 279
see also multipillar pension systems; private pensions
FYR Macedonia 4, 14, 53, 194, 252, 257, 265
Gaddy, C. 152
Gaidar, Y. 290, 300–301
Gallego, F. 116
Garibaldi, P. 26
Gautman, S. 60
Gazprom 150–51
GDP per capita, transition economies
impact of Russian financial crisis on 156–9
regression analyses of 52–60
in relation to EU countries 63–91, 94–100
in relation to welfare state 210–12, 213
under communist system 170–75
winners and losers 270
Gelb, A. 78
Gelos, R.G. 155, 156, 161
geography, impact on economic growth 64–6, 80–83, 84, 85, 86–90, 91, 94–100, 295, 297, 298

Georgia
economic performance 67
economic reform programme in 9, 14, 78
pension system 248, 249, 253, 255, 263, 264, 271, 272, 274

Gerencsér, L. 195

Germany
impact of recession in on transition economies 106, 107
pension system 281–2

Gerschenkron hypothesis 96

Giavazzi, F. 144
globalization
in relation to financial markets and transition economies 113–22
in relation to macroeconomic stability of transition economies 102–8

GNP of ASEAN, CEE and FSU countries, regression analyses of 53–5
see also GDP in transition economies

Godfrey, M. 180
Golinowska, S. 229, 233
Gomulka, S. 64, 95, 96, 145
Góra, M. 180, 268
government paper 139
role of in relation to pensions 196, 199–200, 212, 253, 261

Grabowski, B. 147
gradualism versus shock therapy, debate concerning 24, 291–3

Gray, D.A. 60, 67
Grossman, G. 95
growth convergence see catch-up, of transition economies with EU

Gruber, J. 192

Halpern, L. 126
Hankiss, E. 295
Hannah, L. 213
Hargreaves, D. 274
Harrod–Balassa–Samuelson effect 125, 126–9, 135–7, 140

Hausmann, R. 119, 120
Havrylyshin, O. 43, 78
healthcare, communist system 205
heavy industry, as indicator or central planning legacy 52, 56

Heilemann, U. 60
Helpman, E. 95
Heritage Foundation 59, 77
Hernández-Catá, E. 43
Heybey, B. 36
Heyneman, S.P. 215
Hirschman, A. 295

Hitler’s Thirty Days to Power (Henry Ashby Taylor) 299–300

Holzmann, R. 177, 179, 203, 251
Hong Kong, pension system 276
Hoon, H.T. 241
horizontal efficiency, welfare targeting 174, 185, 223
Horstmann, S. 220
housing market, in relation to mobility of labour 178, 237

Howitt, P. 95
Hristoskov, J. 275
human capital, investment in 57, 179, 239

Hungary
banking crisis 161
capital controls 116
economic performance 53, 64, 66, 67, 70, 77, 128–9, 163, 171, 177, 180
economic reform programme in 14, 21, 39, 49, 50, 295
education system 206
exchange rate policy 107, 137
monetary policy 121
pension system 189, 192, 194–5, 201, 203, 213, 225, 228, 229, 251, 252, 254, 255, 256, 261, 262, 264, 265, 275, 279
poverty relief in 184, 185
response to Russian financial crisis 148, 153–7, 158

Ickes, B. 152
ideology, impact on education in post-communist countries 204, 205, 206
IMF (International Monetary Fund) 102, 103, 151, 152–3, 162, 193–4
implementation of policy, as key to welfare reform 27–35, 159–60, 212, 240–41, 292
‘impossible trinity’, principle of 117–20
income
distribution of 170–75, 193, 212, 221–2, 240, 283–4
gaps, between EU and transition economies 63–91
support 177, 178–9, 245
tax 171, 240
transfers see labour market adjustment in post-communist countries; pension reform, in post-communist countries; poverty relief, in post-communist countries
see also wages
independence of thought, as goal of education 204, 205, 206
‘index of economic freedom’ 59, 77
indexation, pensions 225, 228, 245, 253, 254, 283, 284
indicator targeting, poverty relief 182, 183, 184–5
indicators, of financial crisis 160–64
industrial structure, transition economies 52, 55–6
inflation
in relation to EU applicant countries 131, 132–3, 135–6, 137, 138, 140, 145
in transition economies, overview 14–20, 97, 107, 156, 160, 163–4, 245
infrastructure, transition economies 62, 107, 108
Ingram, G.K. 60
initial conditions, transition economies 21–4, 41–2, 94
Institutional Investor index 59
insurance markets, in relation to pensions 262
interest rates, in relation to EU applicant countries 122, 131, 132, 136–7, 139, 145
internal efficiency, education 205
International Country Risk Guide (ICRG) 59
international financial institutions, assistance to transition economies 26, 40, 94
International Monetary Fund (IMF) 102, 103, 151, 152–3, 162, 193–4
investment
FDI flows 128–9
in human capital 57, 179, 239
in physical capital 57, 59, 62
portfolio diversification 114
risk, in relation to pensions 196–7
Jackman, R. 180, 213
Jaeger, A. 194
Japan, economic performance 94, 95
job market 170, 171, 178, 224
see also labour; unemployment
Johnson, B.T. 67
Johnson, S. 4, 91
Jones, C.I. 95
Jorgensen, S. 177, 179
Kaliberda, A. 67
Kaminsky, G.L. 161
Karpov Commission, Russia 152
Kaufmann, D. 67
Kazakhstan
economic performance 65, 66, 67, 70
economic reform programme in 21
pension system 194, 195, 201, 257, 261, 264, 271, 273, 274
Keefer, P.E. 60
Keynes, J.M. 300
Kiriyenko, S. 151
Klaus, V. 42, 159, 297
comment by 289–92
Klein, M. 114
Knack, S. 60
Knight, M. 135
Kochanowicz, J. 230
Koen, V. 42, 44
Kopits, G. 137
Korea, banking system 105
Kornai, J. 15, 295
Korpi, W. 285
Kosovo 121, 299
Kovalyova, G. 215
Kremer, M. 35
Labour market adjustment see labour market adjustment in post-communist countries
migration 233, 245
mobility of 176, 178, 179, 237
labour market adjustment in post-communist countries
market segmentation 237–9
prerequisites for 211
problems associated with 175–6
progress of reforms 179–80
in relation to EU accession 209–10
strategic policy directions 176–9

Latvia
currency regime 121
economic reform programme in 14, 15
GNP 53
pension system 186, 191–2, 193, 194, 195, 254, 257, 258, 261, 264, 265, 266, 279
poverty in 173
leaders, role of in reform process 296, 297, 299
‘leakage’, within pension system 186
Lebeaux, C.N. 170
Lehmann, H. 180
lender of last resort facility 138–9
Levine, R 57, 60
liberalization
of capital/financial markets 113–22, 161
indices, transition economies 27, 29, 31, 32–5, 37, 78
Linn, J.F. 27
Linne, T. 116, 156, 160–61
LIP (privatization indicator) index 27, 29, 31, 32–3, 78
Lipton, D. 24, 26
Lithuania 14, 15, 53, 121, 173, 186, 194, 264
Liu, Z. 60
local discretion, poverty relief 182
Loungani, P. 43
Lucas, R.E. Jr 95
Lutkowski, K. 140
M2 money 57–8, 162
Maastricht criteria, EU and EMU membership 132–3, 134, 135–8, 139, 141, 145
Macedonia see FYR Macedonia
macroeconomic shocks, impact on pension system 195
macroeconomic stability, in relation to globalization 102–8
management risk, in relation to pensions 196
manager-controlled privatization 39
market economy, moves towards see structural reform, in transition economies
market memory 84, 85–6, 90
Markiewicz, M. 120
Marody, M. 219, 221
Marshall Plan 300
Martin, R. 43
Matsuyama, K. 241
Mazowiecki 299, 300
McCallum, B.T. 119
Micklewright, J. 180, 230
migration of labour 233, 245
Milanovic, B. 183–4, 189, 251, 255
minimum wage, in transition in economies 176, 222
Mishkin, F.S. 164
mobility
of capital 15, 238 see also capital flows
of labour, transition economies 176, 178, 179, 237
Moldova, pension system 253, 258, 264, 266
monetary independence 116–22
monetary integration, approaches to in transition economies
euro, macroeconomic implications of adoption of by EU applicant countries 125–45
financial markets, consequences of 
global integration 113–22
in relation to inflation and stabilization 
14–20
Russian payments crisis, Central 
European economies in aftermath 
of 148–64
monetization levels, in transition 
economies 119, 120–21, 162
multipillar pension systems 191–3, 
194–8, 201, 202, 213, 258–67, 
270–76, 278–85
Mundell–Flemming model 125, 129, 
131–5
Mundell, R. 118
Murphy, K.M. 241
Murrell, P. 36

Nagy, G. 180
Narojek, W. 219
national savings, increasing as shield 
against financial crises 163
natural resource endowment, in 
transition economies 21–3
Nellis, J. 39, 199
Nelson, J. 201, 212
Nelson, R.R. 95
Netherlands, the – pension system 281–2
‘new growth theory’ 95
Newbery, D.M. 26
non-traded and traded goods sectors, 
productivity in 126–7, 128–9, 
135–6, 140
Nordhaus, W.D. 95
notional defined contribution (NDC) 
pension systems 191–3, 194, 257–8, 
264, 270, 271, 275–6
see also defined contribution (DC) 
pension systems

Obstfeld, M. 119, 127, 128, 135
OFSU countries see Baltic countries; 
FSU countries
Olivei, G. 114
‘ordoliberalism’ 220
Orlowski, L.T. 150, 153, 161, 162, 164
Orłowski, W.M. 140, 233
Orszag, P.R. 276
output levels in transition economies 
accounting for 21–37

Index 311

decline following reforms 171–2, 175, 
176
overview 4–13
in relation to EU countries 63–91
in relation to pension schemes 187–8, 
190
under communist system 170–75
unreliability as indicator of economic 
performance 48–50
see also GDP per capita, transition 
economies
overindustrialization, in transition 
economies 21–3, 56, 230
see also heavy industry
oversequencing, in transition economies 
24
overstaffing, in communist education 
system 205
Palacios, R. 268
Pallares-Miralles, M. 268
Palme, J. 285
Pashko, G. 296–8
PAYG (pay-as-you-go) pension schemes 
187, 191–2, 194, 195–6, 197, 198, 
199, 202, 208, 212, 245, 249, 253, 
257–8, 260, 264, 270, 271, 273–6, 
279, 284
see also multipillar pension systems
pegged exchange rates 14–15
pension reform, in post-communist 
countries
coherency of concept, need for 278–9
design 188, 202, 279
financing of 224, 236, 281–3
income security and risk 256–7, 283–4
key issues 264–7
overview of need 174–5
problems associated with 185–7, 
225–9, 243–51
prospects, assessment of 208–9, 212, 
258–64
public trust, importance of 284–5
reform priorities, for losers 273–4
in relation to economic growth 
211–12, 274–6
in relation to mobility of labour 178
state pensions see state pensions
strategic policy directions 187–90, 
251–6, 279–81
winners and losers, differences between 270–73
see also multipillar pension systems; PAYG (pay-as-you-go) pension schemes; private pensions

Perrotti, R. 274
Persson, T. 240
Phelps, E.S. 95, 241
physical capital, investment in 57, 59, 62
pluralism, in relation to democracy 290, 297
pluralist textbooks, importance of in educational reform 207, 209

Poland
capital controls 116
currency appreciation 135
economic performance 53, 66, 67, 73, 75, 77, 97, 102–8, 128–9, 163, 171
economic reform programme in 9, 14, 15, 21, 24, 36, 39, 49, 50, 283, 292–3, 297
education system 206, 221, 229–32, 239
EU, impact of accession to 138–44, 232–3
exchange rate policy 137
fiscal policy 134, 138
monetary policy 121–2
pension system 186, 189, 191, 193, 194, 201, 203, 212, 213, 225–9, 249, 251, 252, 254, 255, 256, 258, 261, 262, 264, 265, 266, 279
poverty and poverty relief in 173, 184, 185, 221–3
response to Russian financial crisis 148, 153–7, 159–60, 164
unemployment and unemployment benefit in 171, 177, 179, 180, 224–5, 238–9
welfare state reform, overview 219–22, 234

Politics
political risks, in relation to pensions 196, 199–200, 256–7, 267, 284
political sustainability, as prerequisite for pension reform 200–201
in relation to reforms in transition economies 24, 26, 212, 213, 272, 289–96, 297

Political Risk Services 59
Posarac, A. 268
poverty relief, in post-communist countries
funding of 179
poverty, increase of following reforms 172–4, 221–3
progress of reforms 183–5
prospects, assessment of 208
in relation to pensions 255
in relation to unemployment 224–5
strategic policy directions 181–3
under communist system 170
price liberalization in transition economies
LII (price liberalization indicator) index 27, 29, 31, 32–3, 78
overview 24, 37
Pritchett, L. 60
private pensions
challenges and dilemmas concerning 209, 251–6
financing of 281–3
institutional developments concerning 194–5
losers, reform priorities for 273–4
as means of curbing state spending on pensions 193–4
prerequisites for 198–201, 284–5
prospects, assessment of 258–64, 270–73
in relation to economic growth 202–3, 274–6
risks concerning 195–8, 199–200, 229, 252, 256–7, 267, 271, 283–4
see also multipillar pension systems; pension reform, in post-communist countries
private sector capacity, as prerequisite for pension reform 199, 200
privatization
LIP (privatization indicator) index 27, 29, 31, 32–3, 78
in transition economies 24, 26, 39, 49–50, 104–5, 113, 220, 245, 247, 283
productivity, traded and non-traded goods sectors 126–7, 128–9, 135–6, 140
property rights, within transition economies 52, 95, 117, 129, 237
public sector, in relation to labour market adjustment 210, 221
public trust, importance of in relation to pensions 267, 284–5
Puhani, P.A. 180, 225
purchasing power parity (PPP), as measure of GDP in transition economies 52, 53
pyramid pension schemes 263
Querioz, C. 60
R&D 95
rail network, investment in 57
Rajkiewicz, A. 233
Rapaczynski, A. 39
‘reactive social reforms’ 220
‘real socialism’ 220, 236–7
reform indicators, data on 77–80
reform programmes see structural reform, transition economies
Reinhart, C.M. 161
religion, impact on economic growth 84
Renelt, D. 57
retirement age, in relation to pensions 186, 188, 189, 190, 224, 228, 244, 245, 249, 258, 272–3, 280–81
see also demography, in relation to pension
retirement tests 189
retraining of unemployed 180, 211, 238
in relation to pensions 281
Ricardian equivalence 127, 129, 130
Richards, P. 180
risk indicators, transition economies 58–9
in relation to pensions 195–8, 199–200, 229, 252, 256–7, 267, 271, 283–4
risk coping 177
risk-mitigation 179
road network, investment in 57
Rocha, R. 268
Rodrik, D. 114, 240
Rofman, R. 268, 269
Rogoff, K. 119, 127, 128, 135
Roland, G. 26
Romania economic performance 53, 67, 75, 84–5
economic reform programme in 4, 14, 39, 78
pension system 245, 252, 257, 264, 265
poverty in 173
unemployment in 171
romanticism, in relation to transition 291
Romer, P.M. 95, 240
Roosevelt, F.D. 298, 299
Rosati, D. 140
Rostowski, J. 122, 144, 164
Round Table Agreements (1989), Poland 220
Russia
corruption in 108
economic performance 65, 67, 70, 73, 75, 77
economic reform programme in 14, 15, 19, 21, 26, 39, 41, 300–301
financial crisis see Russian financial crisis
financial markets 105
legal and institutional framework 105–6
pension system in 194, 201, 253, 258, 264, 271, 273, 274, 275
poverty and poverty relief in 173, 184, 185
reform of welfare state 169–75, 178
see also Former Soviet Union (FSU) countries
Russian financial crisis
decoupling, case for 159–60
financial contagion, designing defence mechanisms against 160–64
impact on transition economies 38, 153–9
overview of issues 114, 148–9
underlying causes of crisis 41, 103, 116, 120, 149–53
Rutkowski, M. 192, 268
comment on 270–76, 278–85
Rybinski, K. 116, 140
Sachs, J.D. 24, 26, 27, 295
comment by 298–301
Index

Steiner, V. 180
sterilization policies 139
Stiglitz, J.E. 27, 39, 105, 114, 116, 163, 199, 276
stock markets, impact of Russian financial crisis 153–4, 155
strategy, importance of in reform 292
EU membership, influence of prospect on 125–45
globalization, impact on 113–22
pension reforms 243–67, 270–76, 278–85
reform leaders, reflections of 289–301
Russian financial crisis, impact on 148–64
welfare state reforms 169–213, 219–34, 236–41
Styczeń, M. 221
Suharke, M. 60
Summers, L.H. 60
Sweden, pension system 191, 258
Syruquin, M. 55
system dependency ratio, pensions 186, 224, 245
Tabellini, G. 240
Tajikistan 19, 65, 67
targeting of welfare benefits, post-communist countries 174–5, 182, 183, 184–5, 208, 223
taxation
collection and revenues 160, 171, 174, 175, 246–8
as determinant of current account 129
income tax 171, 221, 240
in relation to pensions 260, 262, 280
system, Russia 150–52
teacher training, importance of in educational reform 207, 209
technological convergence hypothesis 95
technology transfer, in relation to transition economies 64–5, 95–6, 97
TEs see transition economies (TEs)
TFA (technology frontier area) 95
Thai baht crisis 154–5
‘third-generation model of currency crises’ 119
Thompson, L. 199, 203, 285
timing, of reform process 267, 296–7, 298–301
Tobin tax 116
Tolley 214
Topiński, L. 221
trade
dependency in transition economies 21–3
liberalization, in transition economies 24
traded and non-traded goods sectors, productivity in 126–7, 128–9, 135–6, 140
unions, in transition economies 237, 267
transition economies, reform programmes see structural reforms, transition economies
Transparency International (TI) perception index 58
transparency, importance of in structural reform 40, 58, 108, 119, 148, 161, 186, 201, 257, 284
transport costs, in relation to economic growth 64
tuition-free university education 239
Turkmenistan 14, 21, 67, 70, 255
Ukraine
corruption in 108
economic performance 65, 73
economic reform programme in 15
financial crisis in 116, 120
pension system in 194, 253, 255, 264
poverty in 173
unemployment
absence of under communist system 170
active labour market policies (ALMPs) 177–9, 180, 224, 225, 237–9
benefit 177, 179–80, 224, 225, 229
growth of in transition economies 171–2, 175–8, 237–9, 245
as indicator of successful economic reform 50
prospects of alleviation, assessment of 208, 212
in relation to pension schemes 188
strategic assessment of policy 180, 224–5
United Nations Development Programme (UNDP) 76–7
USD Debt Swap Plan, Russia 149
USD, as measure of GDP per capita in transition economies 52, 53, 67–70
Uzbekistan 19, 38, 39, 48, 65, 66, 258
value added, industry’s share of in transition economies 55–6
Végh, C. 43
vertical efficiency, welfare targeting 174, 185, 223
Vickrey, W.S. 241
‘virtual economy’ system, Russia 152
wages
defaults on in Russia 152
disparity 170–76, 193, 212, 221–2, 240, 283–4
in EU applicant countries 127
indexation 14
in relation to pensions 248, 249, 252–3, 264
subsidies, in response to unemployment 238–9
under communist system 170
see also income
Wallich, C. 67
Warner, A.M. 80, 104
calendar on 94–100
Washington consensus 103–4, 199
Weisbrod, B.A. 174
welfare state, reforms of in post-communist countries
centrally planned welfare system 170–71, 219–20, 221–3, 236–7
educational reform 204–8, 209, 229–32, 237–8, 239–40
key issues, summary of 169, 171–5, 212–13, 234, 240–41
labour market see labour market adjustment in post-communist countries
pensions see pension reform, in post-communist countries
poverty, relieving 181–5
prospects, assessment of 208–13
in relation to accession to European Union 209–10, 232–3
in relation to economic growth 210–12
Wilcox, D. 129
Wilensky, H. 170
Wing Thye Woo 44
Wise, D. 192
Wolf, H.C. 36
worker’s risk, pensions 256–7
worker-controlled privatization 39
World Bank 173, 279
Development Indicators database 53, 62, 105
macroeconomic guidelines 103
pension policy, recommendations concerning 203, 270, 271, 275, 276
World Development Report (World Bank, 1996) 203
Wyplosz, C. 27, 126
Yeltsin, B. 151
Yugoslavia (former) 39, 244, 245, 262, 297, 298, 300
Zalduendo, J. 51
Zettelmeyer, J. 38, 91
Zienkowski, L. 233