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## DEVELOPMENT CHALLENGES AND OPPORTUNITIES CONFRONTING ECONOMIES IN TRANSITION<sup>★</sup>

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**ABSTRACT.** “Economies in Transition” (hereafter EIT or EITs) are countries in the process of shifting from “command” to “more open”, liberalized, free market economic systems. In addition to achieving major structural adjustments to their economies, the transformational process requires the introduction of a high degree of transparency in both the economic and political spheres of society. The transfer of state assets to private ownership is one part of the process as well, as is the creation or opening of “political space” that permits the emergence of private enterprise, multiparty political systems, and the introduction of a broad range of non-governmental organizations that carry out missions and functions which people themselves prefer to perform. Thus, the process of economic transformation requires a major socio-political-economic paradigm shift...one that places people and their needs at the center of the transformational process. The process is extremely difficult to achieve and is fraught with many dangers for countries that enter into it without substantial guidance from more economically advanced countries. This paper reports on the social development successes and failures of 31 economies in transition over the 15-year period 1990–2005. Included in the analysis are EITs located in East and South East Asia ( $N = 5$ ), Central and Eastern Europe ( $N = 10$ ), all 12 members of the Commonwealth of Independent States including the Russian Federation ( $N = 12$ ), Turkey ( $N = 1$ ), and the three Baltic States of Estonia, Latvia and Lithuania ( $N = 3$ ). Using the author’s extensively pre-tested Weighted Index of Social Progress (WISP), the paper reports data at three levels of analysis: (1) WISP performances for all 31 EITs-as-a-group; (2) sub-regional performances on the WISP and its component sub-indexes for each of the six EIT sub-regions included in the analysis; and (3) country-specific performances on the WISP for each of the 31 countries included in the analysis.

**KEY WORDS:** comparative, development, economic development, economies in transition, international, social development, social indicators, social progress, social transformation, sustainable development

### 1. INTRODUCTION

Economies in transition (hereafter referred to as “EIT” or “EITs”) consist of 31 geographically dispersed nations with a combined population

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exceeding 1,870 million persons—approximately 28% of the world's total population in 2006. EITs are located in East and Southeast Asia ( $N = 4$ ), Central and Eastern Europe ( $N = 10$ ), Central Asia ( $N = 11$ ) as well as China, Turkey, the Russian Federation and the three Baltic States of Estonia, Latvia, and Lithuania (IMF, 2000; World Bank, 2004, 2006b). Other countries also may be regarded as EITs but, in the main, the problems associated with their transformation toward more open market and politically transparent systems have been of a longer, even if of a disruptive nature (e.g., India, Bangladesh). Most countries classified by the International Monetary Fund (IMF) as EITs are relatively young—having achieved their political independence only since the late 1980s or, in the case, of the successor states to the former Soviet Union (FSU) only since December, 1991 (Editors, 2003b; Jeffries, 2001, 2003; CIA, 2006).

Income poverty is pervasive throughout the EITs, especially in comparison with their pre-transition levels of living (Estes, 1998a; UNDP, 2003, 2005; World Bank, 2001, 2006a). All of these nations are struggling with the largely unfamiliar socio-political, sometime legal, complexities associated with making the transition from relatively closed, centrally-planned, “command” economies toward more liberalized, free market economies characterized by high levels of economic stabilization (Carlin et al., 2001; Dabrowski, 2003; IMF, 2000; Meyendorff and Thakor, 2002) and private rather than collective forms of ownership (Blaszczyk et al., 2003; Le, 1997; Meggison and Netter, 2001; OECD, 2005; Underhill and Zhang, 2003; World Bank, 1997). Political transparency also is characteristic of more open economic systems, if only to reduce the opportunity for official corruption and market manipulations.

The socio-political challenges confronting the majority of EITs are all the more complex given the extraordinarily high levels of often unfair competition they face in the present era of globalization (Kolodko, 2004; Steger, 2005; Svetlicic and Rojec, 2003; Watts and Walstad, 2002; World Bank, 2005, 2006a, b). Also challenging is the expectation that EITs, along with other economically advanced societies, allow for meaningful participation on the part of people in significant policy issues that impact their lives directly, including through the presence of multiparty political systems (Amnesty International, 2006; Edwards, 2001; Simone, 2000; Young et al., 2002; Wejnert, 2002).

Further, the majority of EITs are experiencing higher than pre-transition rates of infant mortality, for some, reduced levels of average life expectation and, in recent years for most net outward population flows (UNDP, 2005; WHO, 2006)—especially of young workers and others with specialized skills

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that can readily be sold in the global labor market (ILO, 2005; World Bank, 1995, 2006a). Unfortunately, some numbers of the young people migrating from the EITs to more economically advanced countries—mostly young women and children—leave their countries under criminal circumstances, often as victims of human trafficking (Estes, 2005b; U.S. Department of State, 2006).

Currently, and with the goal of accelerating the pace of economic development, many EITs also are struggling with unparalleled levels of environmental pollution (WRI, 2005), declining public sector investment in industrial and physical infrastructure (Luken and Hesp, 2003; World Bank, 2004), and sharply reduced social welfare benefits (Asian Development Bank, 2006a; OECD, 2002; UNDP, 2005; USDHHS, 2004). All three of these forces have combined to produce even higher levels of income poverty among the very old and the very young (Neef and Stanculescu, 2002; Save the Children, 2005; UNICEF, 2006). Infectious and communicable diseases, including HIV/AIDS, also are undermining the development capacity of many EITs and are forcing the redirection of scarce public resources toward tertiary health care rather than broad-based economic reforms (OSI, 2005; WHO, 2006; Wolfe, 2005).

Other EITs, however, are very much “on the move” and are experiencing highly favorable patterns of political, social and economic development under conditions of at least limited personal liberty and heightened consumer sovereignty (Caprio et al., 2005; Editors, 1997a; ESCAP, 1998; Havrylyshyn and Nsouli, 2001; Le, 1997; Wing et al., 1999; Winiecki, 2002; World Bank, 2004). Effective multi-party political systems are emerging in some EITs (Freedom House, 2006; Human Rights Watch, 2006) as are local and national non-governmental organizations (Galli, 2006; United Nations DPI-NGO, 2006). These important innovations are occurring despite the high levels of official corruption that continue to exist in even rapidly developing EITs (Hellman and Kaufman, 2001; Transparency International, 2006). But for most EITs, their emerging new “social architecture” is very much “a work in progress” and comparatively few national leaders experience an unquestioned sense of self-assuredness that their near-term post-transition objectives will be achieved (Anderson et al., 2005; Kolodko, 2004; Nakagawa, 2006; Nsouli, 2001; Rumer, 2005). Even so, fundamental social transformations have begun in the majority of EITs and many important changes can be discerned (ADB, 2006b; Editors, 2000, 2003a, 2004b, 2006; UNDP, 2005; Young et al., 2002).

This paper explores the extent to which EITs governments are succeeding in advancing their development objectives. In particular, the paper reports

the results of a comprehensive survey of the comparative successes and failures of 31 economies in transition for the 15 year period beginning 1990. More specifically, this paper:

1. reports the results obtained through application of a statistically weighted version of the author's previously developed *Weighted Index of Social Progress* (WISP) to an analysis of social development trends in EITs for 1990–2000;
2. using the WISP, identifies EIT social development leaders (SLs), middle performing countries (MPCs) and EIT socially least developing countries (SLDCs);
4. using the WISP as a backdrop, provides more recent social indicator data for the 5-year period 2000–2005; and,
5. serves as a baseline against which future developments within EIT can be assessed (ala Estes, 1998a)

## 2. METHODOLOGY

The present study is the fifth in a series of analyses of worldwide social development trends (Estes, 1984, 1988, 1998b, 2004a, 2006). The purpose of all five studies has been: (1) to identify significant changes in “adequacy of social provision”<sup>1</sup> occurring throughout the world; and (2) to assess national and international progress in providing more adequately for the basic social and material needs of the world's growing population. In essence, this paper reports a time-series analysis of the development performances of selected EITs over a 15 year period. Throughout the paper data are reported at three levels of analysis: (1) development trends occurring within the EITs vis-à-vis those of countries in other world regions; (2) EIT sub-regional variations; and, (3) development trends occurring in each of the 31 EITs included in the present analysis.

### 2.1. *Index of Social Progress (ISP)*

The primary instrument used in this study is the author's extensively pre-tested “Index of Social Progress” (ISP). In its present form the ISP consists of 40 social indicators that have been subdivided into 10 sub-indexes (Table I): *Education* ( $N = 3$ ); *Health Status* ( $N = 7$ ); *Women Status* ( $N = 5$ ); *Defense Effort* ( $N = 1$ ); *Economic* ( $N = 5$ ); *Demographic* ( $N = 3$ ); *Environmental* ( $N = 3$ ); *Social Chaos* ( $N = 5$ ); *Cultural Diversity* ( $N = 3$ ); and *Welfare Effort* ( $N = 5$ ).<sup>2</sup> All 40 of the ISP's indicators are known to be valid indicators of social development; indeed, the majority of

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TABLE I

Indicators on the Weighted Index of Social Progress (WISP), by Subindex  
( $N = 10$  Sub-indexes, 40 Indicators)

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Subindex indicators
Education subindex ( $N = 3$ )
Primary school completion rate, 1992–2000 (+)
Average years of schooling, 2000 (+)
Adult literacy rate, 2000 (+)
Health status subindex ( $N = 7$ )
Physicians per 100,000 population, 1990–1999 (+)
Percent of children immunized against DPT at age 1, 1999 (+)
Percent of population using improved water sources, 2000 (+)
Percent of population undernourished, 1996–1998 (–)
Infant mortality rate, 2000 (–)
Under-five child mortality rate, 2000 (–)
Life expectancy at birth 1, 2000 (+)
Women status subindex ( $N = 5$ )
Female secondary school enrollment as percent of males, 1995–1997 (+)
Seats in parliament held by women as percent of total, 1991–2000 (+)
Contraceptive prevalence among married women, 1990–2000 (+)
Maternal mortality ratio, 1990–1998 (–)
Female adult literacy as percent of males, 2000 (+)
Defense effort subindex ( $N = 1$ )
Military expenditures as percent of gross domestic product, 2000 (–)
Economic subindex ( $N = 5$ )
Per capita gross national income (PPP), 2000 (+)
Percent growth in gross domestic product (GDP), 1999–2000 (+)
Total external debt service as percent of exports of goods and services, 2000 (–)
Unemployment rate, 1998–2000 (–)
GINI index score, most recent year (–)
Demography subindex ( $N = 3$ )
Average annual population growth rate, 1990–2000 (–)
Percent of population aged < 15 Years, 2000 (–)
Percent of population aged > 64 years, 2000 (+)
Environmental subindex ( $N = 3$ )
Nationally protected areas (%), 1996 (+)
Per capita metric tons of carbon dioxide emissions, 1998 (–)
Average annual disaster-related deaths per million population, 1990–2000 (–)
Social chaos subindex ( $N = 5$ )
Strength of political rights, 2000 (+)
Strength of civil liberties, 2000 (+)
Perceived corruption index, 2000 (–)
Total deaths in major armed conflicts since inception, 2000 (–)
Number of externally displaced persons per 100,000 population, 1999 (–)
Cultural diversity subindex ( $N = 3$ )
Largest percentage of population sharing the same or similar racial/ethnic origins, 2000 (+)
Largest percentage of population sharing the same or similar religious beliefs, 2000 (+)

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TABLE I

Continued

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Subindex indicators
Largest share of population sharing the same mother tongue, 2000 (+)
Welfare effort subindex ( $N = 5$ )
Age first national law—old age, invalidity and death, 1999 (+)
Age first national law—sickness and maternity, 1999 (+)
Age first national law—work injury, 1999 (+)
Age first national law—unemployment, 1999 (+)
Age first national law—family allowance, 1999 (+)

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the ISP's indicators now are employed regularly by other scholars of socioeconomic development (Hagerty et al., 2002; Noll, 2002; UNDP, 2005; Vogel, 2002).

## 2.2. *Weighted Index of Social Progress (WISP)*

Owing to the volume of data gathered for this analysis, only statistically-weighted index and subindex scores will be reported. The study's statistical weights were derived through a two-stage Varimax factor analysis in which each indicator and subindex scores were analyzed for their relative contribution toward explaining the variance associated with changes in social progress over time. Standardized subindex scores then were multiplied by the resulting factor loadings and used to create weighted subindex scores. Composite Weighted Index of Social Progress (WISP) scores were obtained through a summation of the weighted subindex scores (see Table II for further details).<sup>3</sup>

TABLE II

Statistical Weights Used in Constructing the Weighted Index of Social Progress<sup>a</sup>


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$\text{WISP2000} = \{[(\text{Factor 1}) * 0.697] + [(\text{Factor 2}) * 0.163] + [(\text{Factor 3}) * 0.140]\}$
<i>where</i>
$\text{Factor 1} = [(\text{Health} * 0.92) + (\text{Education} * 0.91) + (\text{Welfare} * 0.72) + (\text{Woman} * 0.91) + (\text{Social chaos} * 0.84) + (\text{Economic} * 0.71) + (\text{Diversity} * 0.64) + (\text{Demographic} * 0.93)]$
$\text{Factor 2} = [(\text{Defense effort} * 0.93)]$
$\text{Factor 3} = [(\text{Environmental} * 0.98)]$

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<sup>a</sup>Derived from factor analysis using Varimax rotation. For purposes of comparability across the time series, the same statistical weights were used in all four-time periods: 1970, 1980, 1990 and 2000.

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### 2.3. *The WISP vs. Other Measures of Social Progress*

The Index of Social Progress differs from other measures of social development in the number, range, and relevance of the indicators used in its construction. In all cases, the ISP is judged to be a more comprehensive instrument for assessing changes in social development than other indices of national and international progress (e.g., Gross National Product [GNP], per capita income level [PC-GNI], Gini coefficients, the United Nations Development Programme's (UNDP) widely cited "Human Development Index" [HDI], among others).<sup>4</sup>

### 2.4. *Data Sources*

The majority of the data used in the analysis were obtained from annual reports supplied by individual countries to various specialized agencies of the United Nations, the World Bank, the Organization for Economic Cooperation and Development (OECD), and other major international data collection organizations. Data for the *Social Chaos* and *Environmental* subindexes were obtained from independent scholars and from private, non-governmental, organizations including Amnesty International (AI), Freedom House, the International Federation of Red Cross and Red Crescent Societies (IFRCRC), the Stockholm International Peace and Research Institute (SIPRI) and Transparency International (TI). Data for the *Cultural Diversity* subindex were obtained from both the *CIA World Factbook* and from independent scholars working in the fields of comparative language, religion and ethnology.

### 2.5. *Country Selection*

Thirty-one Asian, Central and Eastern European (CEE), Commonwealth of Independent States (CIS), Russia, Turkey, and the three Baltic States were selected for inclusion in the analysis using two criteria: (1) a 1990 population size of at least one million persons; and (2) the availability of timely, reliable, and comprehensive social indicator data. Countries with missing, inadequate, incomplete, or seriously distorted data were excluded from the analysis (Table III).<sup>5</sup>

### 2.6. *Time Frames*

Index and subindex findings are reported separately for two of the study's time periods, i.e., 1990 and 2000. In addition to the WISP data reported

TABLE III  
 Countries in Transition Grouped by Major Geographic Region ( $N = 31$ )

Sub-groupings	Countries	
Central and Eastern Europe <sup>a</sup> ( $N = 10$ )	Albania [%]	Macedonia, FYR [#]
	Bulgaria [+]	Poland [* , \$]
	Croatia [&]	Romania [+]
	Czech Republic [* , \$]	Slovakia [* , \$]
	Hungary [* , \$]	Slovenia [*]
	Baltic States ( $N = 3$ )	Estonia [*]
Latvia [*]		
Lithuania [*]		
Turkey ( $N = 1$ )	Turkey [& , \$]	
Russia ( $N = 1$ )	Russian Federation [#]	
Other Commonwealth of Independent States [CIS] ( $N = 11$ )	Armenia	Moldova
	Azerbaijan	Tajikistan
	Belarus	Turkmenistan
	Georgia	Ukraine
	Kazakhstan	Uzbekistan
	Kyrgyz Republic	
	Cambodia**	
Selected other Asian economies in transition ( $N = 5$ )	Laos, PDR**	
	Mongolia	
	People's Republic of China	
	Vietnam	

Sources: Europa (2003); European Union (2006); OECD (2006); Wikipedia (2006); World Bank (2006b). <sup>a</sup>Because of problems of data availability and integrity, the following EITs were excluded from the present study: Bosnia-Herzegovina, Serbia, and Montenegro. [\*] Indicates member states of the European Union ( $N = 8$ ) as of June 10, 2006. [+] Indicates countries scheduled for accession into the European Union during 2007/2008 ( $N = 2$ ). [&] Indicates "European" candidate countries engaged in accession negotiations for near-term inclusion in the European Union ( $N = 2$ ). [#] Indicates other European countries that are potential candidates for accession to the European Union ( $N = 2$ ). [%] Indicates other European countries under consideration for "possible" accession into the European Union over the long-term ( $N = 1$ ). [\$] Indicates EIT countries that are members of the Organization for Economic Cooperation and Development ( $N = 5$ ). [\*\*] Indicates countries classified by the United Nations as "Least Developing" (LDCs).

for the periods 1990 and 2000 (Tables IV and VIII, Figures 1–6), current social indicator data for selected variables are summarized in Tables IV, V, VI, and VII for the 5-year period 2000–2005. Thus, the present study provides a cross-sectional analysis of the "state" of EIT development over the most recent 15-year period for which reliable data could be gathered.

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TABLE IV  
Population-Related Indicators for Selected Economies in Transition (EITs) Ranked by WISP Score, 2000-2005 (N = 31)

Countries	WISP 2000 (base = 163)	WISP00 RANK (base = 163)	HDI 2003 (b) (N = 177)	Rank 2004 (a)	Population (millions) 2004 (a)	Population growth rate 2000-2004 (a)	Age dependent population (b) <15 Years 2015	Age dependent population (b) >65 Years 2015	Life expectation at birth 2003 (b)	Infant mortality 2003 (b)	Adult literacy rate 1998-2004 (a)
EIT social leaders (WISP range = 107 > 84)											
Hungary	91	18	35	10.1	0.1	14.0	17.5	72.7	7	99	
Bulgaria	89	22	55	7.8	-0.9	13.1	18.6	72.2	14	98	
Czech Republic	88	24	31	10.2	-0.2	13.4	18.4	75.6	4	na	
Slovak Republic	87	25	42	5.4	0.0	14.0	14.1	74.0	7	100	
Poland	85	27	36	38.2	-0.3	14.3	14.9	74.3	6	100	
Slovenia	85	27	26	2.0	0.1	13.0	18.1	76.4	4	100	
SL TOTAL (N = 6)				73.7							
SL AVG (N = 6)	87.5	23.8	37.5	12.3	-0.2	13.6	16.9	74.2	7.0	99.4	
EIT middle performing countries (WISP range = 81 > 23)											
Estonia	81	31	38	1.4	-1.1	15.7	17.4	71.3	8	100	
Belarus	78	33	67	9.8	-0.4	14.5	13.5	68.1	13	100	
Latvia	77	34	48	2.3	-0.7	14.1	18.3	71.6	10	100	
Romania	77	34	64	21.9	-0.7	14.4	15.5	71.3	18	97	
Lithuania	74	39	39	3.4	-0.5	13.8	16.7	72.3	8	99	
Ukraine	71	41	78	48.0	-0.8	13.5	16.4	66.1	15	99	
Croatia	70	43	45	4.5	0.7	13.9	18.7	75.0	6	98	
Moldova	67	47	115	4.2	-0.4	15.2	10.9	67.7	26	96	
Russian Federation	67	47	62	142.8	-0.5	16.4	13.3	65.3	16	99	
Albania	65	49	72	3.2	0.6	23.1	9.9	73.8	18	99	
Armenia	65	49	83	3.0	-0.5	17.4	11.0	71.5	30	99	

TABLE IV  
Continued

Macedonia, FYR	63	53	59	2.1	0.4	16.6	12.9	73.8	10	na
Georgia	63	53	100	4.5	-1.1	15.8	14.4	70.5	41	99
Kyrgyz Republic	61	56	109	5.1	0.9	27.5	5.5	66.8	59	99
Azerbaijan	60	58	101	8.3	0.7	21.2	6.7	66.9	75	99
Kazakhstan	59	61	80	15.0	-0.2	21.3	8.0	63.2	63	100
Mongolia	57	67	114	2.5	1.2	26.3	4.1	64.0	56	98
China	56	69	85	1296.5	0.8	18.5	9.6	71.6	30	91
Turkmenistan	54	71	97	4.9	1.5	27.0	4.4	62.4	79	99
Uzbekistan	52	78	111	25.9	1.3	28.3	4.4	66.5	57	99
Tajikistan	50	82	122	6.4	1.1	33.0	3.5	63.6	92	90
Viet Nam	49	84	108	82.2	1.1	25.0	5.6	70.5	19	90
Turkey	48	88	94	71.7	1.5	25.8	6.2	68.7	33	88
Cambodia	28	116	130	13.6	1.8	34.1	4.4	56.2	97	74
Laos, PDR	21	127	133	5.8	2.3	37.1	2.9	54.7	82	69
MPC total (N = 25)				1862.7						
MPC avg. (N = 25)	60.5	60.4	86.2	71.6	0.4	21.2	10.2	67.7	38.4	95.0
Total all (N = 31)				2851.5						
Avg. all (N = 31)	65.7	53.3	76.7	60.1	0.3	19.7	11.5	69.0	32.4	95.8

Sources: (a) World Bank (2006a); (b) UNDP (2005).

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**Average WISP Scores by Continent (N=161)  
1970-2000**

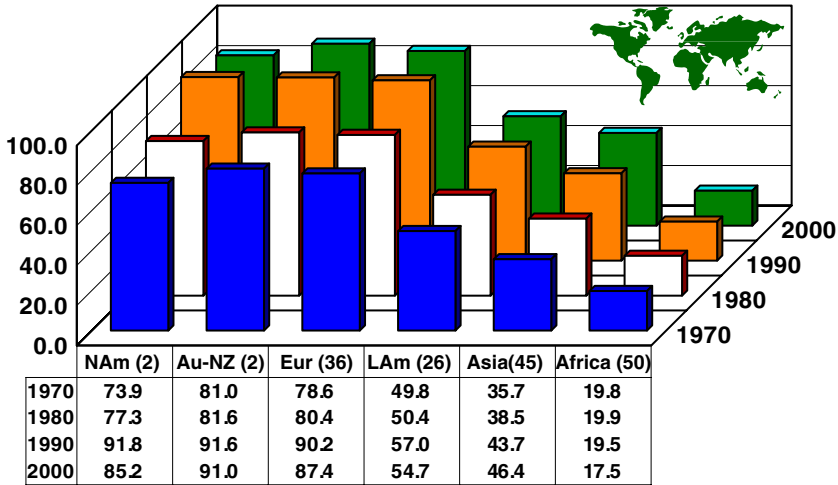


Fig. 1. Average WISP Scores by Continent (N = 161) 1970–2000.

**Percent Change in Average WISP Scores  
by Continent (N=161), 1970-2000**

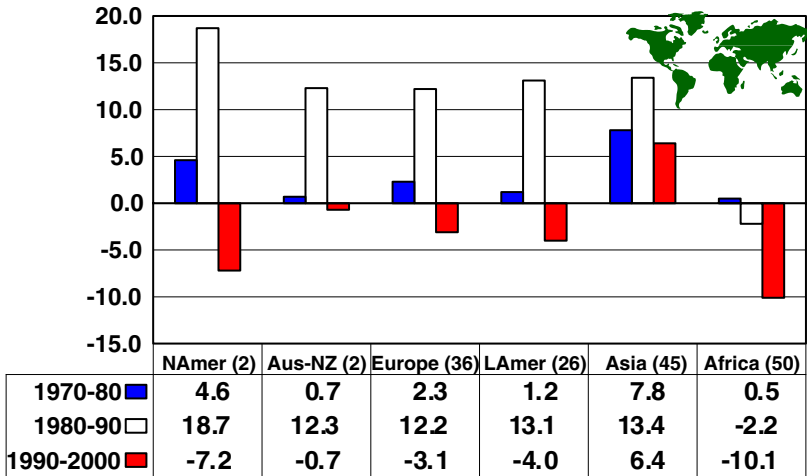


Fig. 2. Percent Change in Average WISP Scores by Continent (N = 161), 1970–2000.

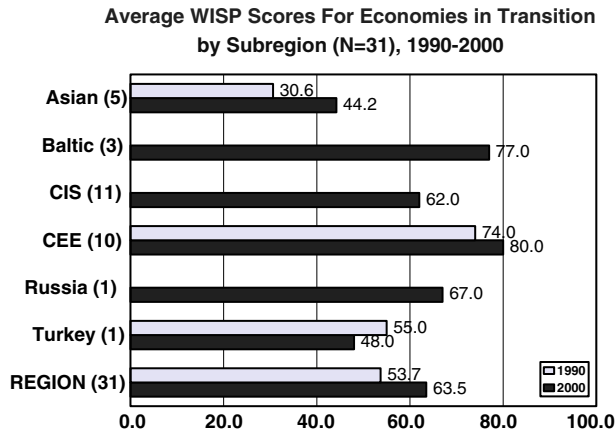


Fig. 3. Average WISP Scores For Economies in Transition by Sub-region ( $N = 31$ ), 1990–2000.

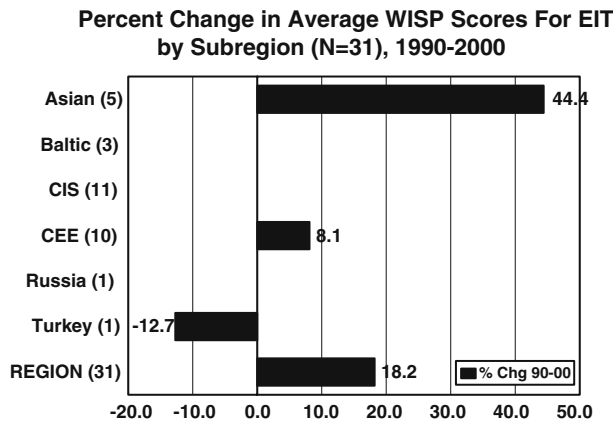


Fig. 4. Percent Change in Average WISP Scores For EIT by Sub-region ( $N = 31$ ), 1990–2000.

### 3. DEVELOPMENT TRENDS OF EITS RELATIVE TO THOSE OF OTHER MAJOR WORLD REGIONS

Figures 1 and 2 summarize the study’s major findings on the WISP for all 161 countries included in the author’s larger analysis of worldwide social development trends (Estes, 1998b, 2004a). These time-series data cover the period 1970–2000 and reflect comparative WISP performance for the larger study’s six major continental groupings, i.e., North America ( $N = 2$ ), Australia-New Zealand ( $N = 2$ ), Europe ( $N = 36$ ), Latin America ( $N = 26$ ), Asia ( $N = 45$ ), and Africa ( $N = 50$ ). The average WISP scores

**Average WISP Subindex Scores  
for Economies in Transition (N=30), 2000**

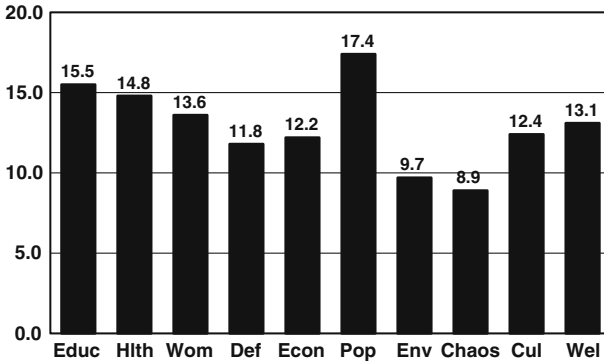


Fig. 5. Average WISP Subindex Scores for Economies in Transition (N = 30), 2000.

**Rank Ordered WISP Scores and Ranks  
for Economies in Transition, 2000 (N=31/163)**

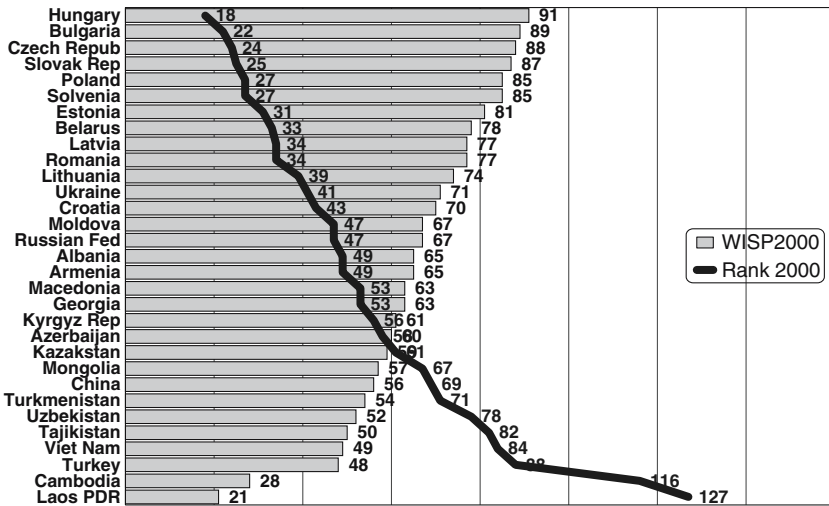


Fig. 6. Rank Ordered WISP Scores and Ranks for Economies in Transition, 2000 (N = 31/163).

for all 161 countries contained in this analysis are 44.5, 44.1, 48.8 and 48.7 for 1970, 1980, 1990, and 2000, respectively (Estes, 2004a).<sup>6</sup>

1. The world's most socially developed regions are North America, Australia–New Zealand, and Europe. These regions had already attained the most favorable WISP ratings by 1970; further improvements on the index

TABLE V  
 Economic Indicators for Selected Economies in Transition (EITs) Ranked by WISP Score, 2000–2005 ( $N = 31$ )

Countries	PC GNI Actual 2004 (a)	PC GNI (PPP) 2004 (a)	PC GDP growth rate 2003–2004 (a)	Inflation rate 2003 (b,c)	% Share of income/consumption (b)		
					Top 20% (varied)	Bottom 20% (varied)	GINI Score* (varied)
EIT social leaders (WISP range = 107 > 84)							
Hungary	\$8,270	\$15,620	4.6	4.6	36.5	9.5	26.9
Bulgaria	\$2,740	\$7,870	6.1	2.2	38.9	6.7	31.9
Czech Republic	\$9,150	\$18,400	4.2	0.1	35.9	10.3	25.4
Slovak Republic	\$6,480	\$14,370	5.5	8.6	34.8	8.8	25.8
Poland	\$6,090	\$12,640	5.4	0.7	41.9	7.6	34.1
Slovenia	\$14,810	\$10,960	4.3	5.6	35.7	9.1	28.4
SL AVG ( $N = 6$ )	\$7,923	\$13,310	5.0	3.6	37.3	8.7	28.8
EIT middle performing countries (WISP range = 81 > 23)							
Estonia	\$7,010	\$13,539	5.1	1.3	44.0	6.1	37.2
Belarus	\$2,120	\$6,900	11.5	28.4	39.1	8.4	30.4
Latvia	\$5,460	\$11,850	9.4	2.9	41.1	7.3	33.6
Romania	\$2,920	\$8,190	7.7	15.3	41.0	7.9	30.3
Lithuania	\$5,740	\$12,610	7.1	-1.2	40.0	7.9	31.9
Ukraine	\$1,260	\$6,250	12.9	5.2	37.8	8.8	29.0
Croatia	\$6,590	\$11,670	2.2	0.1	39.6	8.3	29.0
Moldova	\$710	\$1,930	7.8	11.7	44.1	6.8	36.9
Russian Federation	\$3,410	\$9,620	7.7	13.7	39.3	8.2	31.0
Albania	\$2,080	\$5,070	5.6	0.5	37.4	9.1	28.2
Armenia	\$1,120	\$4,270	10.3	4.8	45.1	6.7	37.9
Macedonia, FYR	\$2,350	\$6,480	1.9	1.1	36.7	8.4	28.2
Georgia	\$1,040	\$2,930	9.6	8.0	43.6	6.4	36.9
Kyrgyz Republic	\$400	\$1,840	6.1	3.5	43.0	7.7	34.8

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Azerbaijan	\$950	\$3,830	10.6	12.0	44.5	7.4	36.5
Kazakhstan	\$2,260	\$6,980	8.8	6.4	40.0	7.8	32.3
Mongolia	\$590	\$2,020	9.1	5.1	51.2	5.6	30.3
China	\$1,290	\$5,530	8.8	1.2	50.0	4.7	44.7
Turkmenistan	\$1,340	\$6,910	15.4	10.0	47.5	6.1	40.8
Uzbekistan	\$460	\$1,860	6.3	8.8	36.3	9.2	26.8
Tajikistan	\$280	\$1,150	9.4	8.0	40.8	7.9	32.6
Viet Nam	\$550	\$2,700	6.4	3.1	45.4	7.5	37.0
Turkey	\$3,750	\$7,680	7.4	25.3	46.7	6.1	40.0
Cambodia	\$320	\$2,180	4.2	1.2	47.6	6.9	40.4
Laos PDR	\$390	\$1,850	3.6	12.3	45.0	7.6	37.0
MPC avg ( $N = 25$ )	\$2,176	\$5,834	7.8	7.5	42.7	7.4	34.1
AVG all ( $N = 31$ )	\$3,288	\$7,281	7.3	6.8	41.6	7.6	33.1

*Sources:* (a) World Bank (2006a); (b) UNDP (2005); Editors (2006). Note: A value of "0.0" on the Gini Index represents perfect equality; a value of "100.0" perfect inequality.

TABLE VI  
 Social, Environmental and Technological Indicators for Selected Economies in Transition (EITs) Ranked by WISP Score, 2000–2005 ( $N = 31$ )

Countries	% Seats of parliament held by women 2005 (b)	Official development assistance (b)		Per Capita ODA 2003 (b)		Political and civil freedoms (d)		PC CO2 emissions 2000 (a)	% Manufactured exports hi-tech 2003 (a)	Patents per million pop 2003 (b)
		ODA Received 2003 (b)	As % GDP 2003 (b)	ODA 2003 (b)	ODA 2003 (b)	Political Rights 2004 (d)	Civil Liberties 2004 (d)			
EIT Social Leaders (WISP range = 107 > 84)										
Hungary	9.1	0.3		24.5	1	1	5.4	26	21	
Bulgaria	26.3	2.1		53.0	1	2	5.3	4	16	
Czech Republic	15.7	0.3		25.8	1	1	11.6	13	24	
Slovak Republic	16.7	0.5		29.7	1	1	6.6	4	13	
Poland	20.7	0.6		31.2	1	1	7.8	3	22	
Slovenia	12.2	0.2		33.6	1	1	7.3	6	123	
SL AVG ( $N = 6$ )	16.8	0.7		33.0	1.0	1.2	7.3	9.3	36.5	
EIT middle performing countries (WISP range = 81 > 23)										
Estonia	18.8	0.9		62.6	1	1	11.8	13	8	
Belarus	30.1	0.2		3.2	7	6	5.9	4	54	
Latvia	21.0	1.0		49.0	1	2	2.5	4	0	
Romania	10.9	1.1		27.1	3	2	3.8	4	26	
Lithuania	22.0	2.0		107.7	2	2	3.4	5	15	
Ukraine	5.3	0.7		6.7	4	3	6.9	5	0	
Croatia	21.7	0.4		27.1	2	2	4.5	12	20	
Moldova	15.8	5.9		27.5	3	4	1.5	3	48	
Russian Federation	8.0	0.3		8.8	6	5	9.9	19	105	
Albania	6.4	5.6		108.0	3	3	0.9	1	0	
Armenia	5.3	8.8		81.0	5	4	1.1	1	42	
Macedonia, FYR	19.2	5.0		114.0	3	3	5.5	1	13	
Georgia	9.4	5.5		42.9	3	4	1.3	24	27	

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Kyrgyz Republic	na	10.4	39.1	6	5	0.9	2	10
Azerbaijan	10.5	4.2	36.0	6	5	3.6	5	0
Kazakhstan	9.5	0.9	18.0	6	5	8.1	9	0
Mongolia	6.7	19.4	99.7	2	2	3.1	na	31
China	20.2	0.1	1.0	7	6	2.2	27	5
Turkmenistan	16.0	0.4	5.6	7	7	7.5	na	0
Uzbekistan	16.4	2.0	7.6	7	6	4.8	na	17
Tajikistan	na	9.3	22.9	6	5	0.6	na	3
Viet Nam	27.3	4.5	21.8	7	6	0.7	2	0
Turkey	4.4	0.1	2.4	3	3	3.3	2	1
Cambodia	10.9	12.0	37.9	6	5	0.4	na	na
Laos, PDR	22.9	52.8	14.1	7	6	0.1	na	na
MPC avg ( $N = 25$ )	14.7	6.1	38.8	4.5	4.1	3.8	7.5	18.6
AVG all ( $N = 31$ )	15.2	5.1	37.7	3.8	3.5	4.5	8.0	22.2

*Sources:* (a) World Bank (2006); (b) UNDP (2005); (c) Freedom House (2006). PCI refers to the "Perceived Corruption Index" developed by Transparency International (2006); scores are inversely related to perceived corruption (0 = low; 10 = high). Lower numbers on the Political Rights (PR) and Civil Liberties (CL) indices indicate higher degrees of Political Freedom (Freedom House, 2006).

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TABLE VII

Central Government Expenditures (CGE) and Public Spending Priorities for Selected EITs,  
2000–2005 ( $N = 31$ )

Countries	General gov't consumption as % GDP 2004 (a)	Public expenditures as % GDP (b)			Military expenditures as % GDP 2003 (a)
		Education 2000–2002 (b)	Health 2002 (b)	Debt Service 2003 (b)	
EIT social leaders (WISP range = 107 > 84)					
Hungary	11	5.5	5.5	18.3	1.8
Bulgaria	19	3.5	4.0	5.8	2.6
Czech Republic	23	4.4	6.4	6.1	2.2
Slovak Republic	20	4.4	5.3	10.7	1.9
Poland	18	5.6	4.4	9.1	2.0
Slovenia	20	6.1	6.2	na	1.5
SL AVG ( $N = 6$ )	18.5	4.9	5.3	9.1	2.0
EIT middle performing countries (WISP range = 81 > 23)					
Estonia	na	5.7	3.9	13.4	1.9
Belarus	11	6.0	4.7	1.4	1.3
Latvia	21	5.8	3.3	8.4	1.7
Romania	11	3.5	4.2	6.4	2.4
Lithuania	16	5.9	4.3	36.4	1.6
Ukraine	19	5.4	3.3	7.4	2.9
Croatia	20	4.5	5.9	11.8	2.1
Moldova	15	4.9	4.1	8.1	0.4
Russian Federation	19	3.8	3.5	4.4	4.3
Albania	10	na	2.4	0.9	1.2
Armenia	10	3.2	1.3	3.4	2.7
Macedonia, FYR	9	3.5	na	5.2	2.5
Georgia	9	2.2	1.0	4.5	1.1
Kyrgyz Republic	17	3.1	2.2	7.1	2.9
Azerbaijan	12	3.2	0.8	3.4	1.9
Kazakhstan	11	3.0	1.9	17.8	1.1
Mongolia	19	9.0	4.6	22.6	2.2
China	12	na	2.0	2.6	2.3
Turkmenistan	14	na	3.0	na	3.4
Uzbekistan	18	na	2.5	8.2	0.5
Tajikistan	na	2.8	0.9	5.1	2.2
Vietnam	7	na	1.5	2.1	2.5
Turkey	13	1.8	4.3	11.7	4.9
Cambodia	na	na	2.1	0.6	2.5
Laos, PDR	5	2.8	1.5	2.3	3.0
					0.4
MPC avg ( $N = 25$ )	13.5	4.2	2.9	8.1	2.2
AVG. all ( $N = 31$ )	14.6	4.4	3.4	8.5	2.2

Sources: (a) World Bank, 2006a, b; (b) UNDP, 2005.

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- continued to occur between 1970–1980, 1980–1990 and, for many but not all countries, for the period 1990–2000 (Figure 1). Today, comparatively few differences characterize the development profiles of the economically advanced countries of North America (2000 Average = 85.2), Australia–New Zealand (1990 Average = 91.0), and Europe (1990 Average = 87.4).
2. The world's least developed regions are Africa (2000 Average = 17.5) and Asia (2000 Average = 46.4). WISP scores for the African region were the lowest worldwide for the entire 30-year period studied.
    - a. Social development losses were reported for the African region for both 1980–1990 and 1990–2000, –2.2 and –10.1%, respectively. Social losses for the 10-year period 1990–2000 were most pronounced in Africa's Middle (–33%) and Eastern (–20.3%) sub-regions and were less dramatic in the continent's oil-rich Northern (–5%) region (Estes, 2004a).
    - b. Fortunately, net 10-year social gains on the WISP were observed for Africa's conflict-ridden Western region (+1.8%).
  3. Africa's continuing unfavorable economic situation, recurrent wars, high levels of diversity-related social conflict, and high levels of public corruption account for most of the region's decades-long social losses (Brogan, 1990; SIPRI, 2006). The region's current social development situation is all the more tragic given that Africa's officially designated "least development countries" (UN-OHRLLS, 2006) have been the preferential recipients of international development assistance since at least 1980 (including debt rescheduling and forgiveness, reduced tariffs on exports, and rising levels of foreign private sector investments). HIV/AIDS and other infectious diseases, however, have combined with the region's relative geographic isolation, failed political systems, and inadequate social infrastructures to exacerbate the already impossible situation that exists for the majority of Africa's most deeply impoverished states (UN/AIDS, 2005; UN-OHRLLS, 2006; World Health Organization, 2006).
  4. The social development situation in Latin America is perplexing given the region's rich natural and high levels of human capital resources (de Soto, 1989; Estes, 1996). Recurrent wars, civil unrest and, too often, corrupt governments have combined to deprive the region's countries of the resources need to advance its social, economic and, most recently, political development (ECLAC, 2005; Transparency International, 2006). Thus, today, and despite some modest gains for a few

countries, development trends in Latin America as a whole have advanced comparatively little over the full 30 year period studied (Estes, 1996, 2004a).

5. As clearly reflected in the continental WISP scores reported in Figures 1 and 2, considerable variation also exist with respect to Asia's 30-year social development trends. The major fluctuations in the numbers are due mainly to the inclusion of China in the larger study following its formal return to the United Nations in 1971.
6. With a group average WISP score approximating 63.5 in the year 2000, the 31 EITs included in this analysis fall between Latin America (WISP Avg. 2000 = 54.7) and North America (WISP Avg. 2000 = 85.2). Thus, the EITs must be considered to have achieved at least a moderate level of socio-economic development...closer, in general, to development trends that exist in Latin America ( $N = 26$ ) than those of the more economically advanced, mostly Western European nations. The legacy of participatory democracy (mostly one-party political systems, however) is very strong in many EITs but, still, the majority of EITs are conceptually held back by decades-long traditions of state socialism, all inclusive centralized social and economic planning, and collective decision-making at the national and local levels. Most EITs have not yet arrived at the level of Civil Liberties and Political Freedoms that have contributed to the more rapid rates of economic expansion observed for other world regions (Freedom House, 2006; Table VI). Rather, contemporary patterns of political development in the majority of EITs—and, hence, patterns of socio-economic development—most closely approximate those observed in recent years for the immediate post-Socialist nations of East Asia (WISP 2000 Avg. = 67.3) and the conflict-ridden nations of Central and South America, including the Caribbean (WISP 2000 Avg. = 57.9).

In general, then, between 1970 and 1990 the world's most economically advanced regions added to their already high levels of social development while the world's poorest region, Africa, experienced additional net social losses...mostly as a result of continuing warfare, political corruption and, now, widespread infectious and communicable diseases in combination with major assaults on the continent's physical landscape. The social gains reported for Latin America during the same period are hopeful but, like most other regions worldwide, Latin America experienced average net social losses of 4.0% between 1990 and 2000. By comparison, major social gains and losses for the EITs fell between the two extremes, i.e., continuing additions to their human capital resource development combined with

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comparatively few advances in their health, education, economic and social chaos sectors (Estes, 2004a; UNDP, 2005). The absence of well-established economic partnerships with major Western and other significant importing economies added to the economic challenges confronting many EITs as well (Estes, 1998a; IMF, 2000; World Bank, 2006a, b).

### 4. DEVELOPMENT TRENDS IN THE WORLD'S ECONOMIES IN TRANSITION

The study's major 10-year development trends for the EITs are summarized in Figures 3 and 4. WISP scores are reported in these figures both for the region-as-whole ( $N = 31$ ) and for each of the EITs six "sub-regions": Asia ( $N = 5$ ), the Baltic States ( $N = 3$ ), the Commonwealth of Independent States ( $N = 11$ ), Central and Eastern Europe ( $N = 10$ ), the Russian Federation ( $N = 1$ ), and Turkey ( $N = 1$ ). Region-wide performances on the WISP's *ten sub-indexes* are reported separately for the year 2000 in Figure 5. Country-specific WISP scores for the year 2000, including country rank position relative to all 161 countries included in the larger study, are reported in Figure 6. Current social indicator data for each country grouped by their overall performance on the WISP are reported in Tables IV–VII. Table VIII reports scores for each of the WISP's sub-indexes for all 31 countries listed alphabetically and by their respective geographic sub-region.

#### 4.1. *Sub-regional Performances on the WISP*

As reported in Figure 3, EIT performance on the WISP varied enormously for each of the EITs six sub-regions. Central and Eastern Europe (2000 WISP Average = 80.0); the Baltic States (2000 WISP Average = 77.0); The Russian Federation (2000 WISP Average = 67.0); the Commonwealth of Independent States (2000 WISP Average = 62.0); Turkey (2000 WISP Average = 48.0); and selected EITs located in East and Southeast Asia (2000 WISP Average = 44.2). With the exception of Turkey, the average scores of those states for which earlier WISP values were available, the WISP scores of the majority of EITs were substantially higher than those reported for earlier years (Estes, 2004a). Indeed, WISP scores for Asian EITs increased by an average of 44.4% between 1990 and 2000 while WISP scores for EITs located in Central and Eastern Europe increased by an average of only 8.1%. Turkey's WISP scores dropped by -12.7% over the 10-year period studied (Figure 4).

Clearly, Asian and Central European EITs are beginning to experience the benefits of the economic transformations in which they are engaged. Most have adopted export orientations to economic growth and, at the same time, have returned ownership of the means of industrial and other forms of production back to private ownership. Many have adopted service economies as well and nearly all EIT nations for which significant social gains were observed on the WISP by 2000 developed strong working relationships with more economically advanced neighbors or with other major international partners (Editors, 1997a, c, 2002b, 2004a, b). The contributions of the World Bank and International Monetary Fund have also had many positive effects in these countries, albeit the initial impact of the often harsh “structural adjustments” policies imposed by the two “sister” organizations on the EITs contributed initially to high levels of unemployment, poverty, increased economic volatility and even reduced life expectation in some countries (Gilpin, 2000; Stiglitz, 2002).

Figure 5 summarizes EIT performances on all 10 of the WISP’s sub-indexes for the year 2000. The scores reported in this figure are for the year 2000 and do not draw comparisons with scores attained during earlier years of development (inasmuch as comparable data for all EITs were not available). As evidenced in these data, EITs by the year 2000 had attained the highest levels of development on the Population (2000 SI Score = 17.4), Education (2000 SI Score = 15.5), Health (2000 SI Score = 14.8), Women Status (2000 SI Score = 13.6), Welfare Effort (2000 SI Score = 13.1), and Cultural Diversity (2000 SI Score = 12.4) sub-indexes. In effect, EITs-as-a-group are investing substantially in slowing the rate of population growth, while at the same time, putting more of their scarce resources into health, education, welfare and related human capital development activities. These investments are absolutely critical to the success of the economic and social transformations sought after by the EITs, especially given the rapid aging of their populations in combination with decreasing fertility rates (Table IV).

By comparison, lower levels of development attainment were achieved during the same time period on the WISP’s Social Chaos (2000 SI Score = 8.9)<sup>7</sup>, Environmental Effort (2000 SI Score = 9.7), Defense Effort (2000 SI Score = 11.8) and Economic sub-indexes (2000 SI Score = 12.2). Lower average performances on all four of these sub-indexes are closely linked and reflect the high levels of diversity-related social conflict that pre-existed in many EITs long before the process of economic transformation began (Bangura, 2006; Brogan, 1990; SIPRI, 2006). The brutal realities associated with increasing joblessness, higher rates of poverty and reduced access to basic health, education, housing, food and other resources

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combined with the collapse of pre-transition political ideologies to revive long-standing diversity-related social conflicts. This is a familiar pattern and has been reported on extensively for other societies under similar levels or types of major social and economic transformation (Estes, 1995, 1996, 2004a; Nafziger and Auvinen, 2004). Unfortunately, many of the tensions associated with these areas of the WISP which, for some countries, are centuries-old in origin are likely to persist into the future, or at least until a higher level of economic stabilization has been restored to the affected countries.

### 4.2. *Sub Regional Performances on the WISP*

4.2.1. *The States of Central and Eastern Europe (CEE)*. The 10 countries of Central and Eastern Europe, some of which are now members of either the European Union or the Organization for Economic Cooperation and Development, or both (Table III), attained the highest average WISP scores for both 1990 and 2000, i.e., 74.0 and 80.0, respectively. Obviously, the majority of these countries are truly “European” in their orientation—a factor that contributes to the high levels of social protection, retention of private ownership of the means of production (mostly farms and small businesses), and socio-political ideologies that have made it easier for many European EITs to rejoin the larger group of “European” states (Ash, 2004; Editors, 1997c, 2002b; Estes, 2004b; Rifkin, 2004). Indeed, average WISP scores for European EITs in 2000 (80.0) are nearly identical to those reported for all 36 European countries identified in Figure 1 (Average 2000 WISP = 87.4).

Subindex scores for the ten Central and Eastern European EITs also are remarkably high given that the scores on these sub-indexes exceeds the average score of 10.0 attained by all 161 countries included in the author’s study of social development trends worldwide (Estes, 2004a). Subindex scores for Central and Eastern European countries were especially strong in the Population (2000 SI Average = 22.9), Welfare Effort (2000 SI Average = 18.0), Education (2000 SI Average = 17.6), Health (2000 SI Average = 17.6), Cultural Diversity (2000 SI Average = 15.2), and Women Status (2000 SI Average = 15.0) sectors. Subindex scores in the Environmental (2000 SI Average = 10.1), Defense Effort (2000 SI Average = 12.6), Economic (2000 SI Average = 12.7) and Social Chaos (2000 SI Average = 13.4) also were within better than average ranges, albeit near-term rapid improvements in the last three sub-indexes would be highly desirable. No doubt, advances on these sub-indexes will accelerate as

increasing numbers of CEE countries become member states of the European Union.

4.2.2. *The Baltic States.* The three Baltic States of Estonia, Latvia and Lithuania, as a group, attained an average WISP score in 2000 of 77.0. This score is nearly identical to the average WISP score observed for the EITs of Central and Eastern Europe (Average = 80.0) and, much like their Central and Eastern European EIT counterparts, the Baltic States also are “European” in history, character and social ideology. As such, they share many of the same traditions and patterns of development found both in Central and Eastern Europe and elsewhere in Europe (Buchholz, 1989; Estes, 2004a, b). They also share many of the same ideologies with respect to the central role of the state in the provision of basic social and economic services for the aged, the poor and other “socially excluded” populations (Ash, 2004; USDHHS, 2004).

The comparatively high subindex scores reported for the Baltic States in Table VIII confirm that social development already was well advanced in these countries prior to the beginning of their transition toward market economies and more transparent political systems. The high level of their subindex scores also reflects considerable ideological unity with the socially advanced nations of Northern, Western and Southern Europe (Estes, 2004b).

The only exception to an otherwise remarkable pattern of immediate post-transition subindex performance on the WISP for the Baltic States is their comparative poor performance on the Cultural Diversity Subindex (2000 SI Average = 5.5). The low level of this score reflects the high levels of cultural diversity that characterizes the Baltic States, a factor, which for other nations has slowed the pace of national socio-economic development (Estes, 2004a). In any case, all three Baltic States now are members of the European Union and, as with all other members of this regional alliance, have pledged themselves to work toward the social advancement of all the people living within their borders.

4.2.3. *The Russian Federation.* With a WISP scores of 67.0 in 2000, social development in the Russian Federation also is at a comparatively high level. The Federation’s recent performances on the Welfare Effort (2000 SI Average = 24), Population (2000 SI Average = 24), Health (2000 SI Average = 18), and Education (2000 SI Average = 16) sub-indexes are especially impressive given the enormity of the structural reforms and high levels of financial investments that were needed to bring about these

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accomplishments (Table VIII). These favorable subindex scores also suggest the beginning emergence of a dynamic private economy, including the transfer of many previously held state enterprises into private hands.

Levels of Social Chaos in the Russian Federation (2000 SI Average = -3), however, remain high and only meager social performances are reflected on the Federation's Environmental (2000 SI Average = 6), Defense Effort (2000 SI Average = 7), and Cultural Diversity (2000 SI Average = 8) sub-indexes. Russia's subindex scores on the Women's Status (2000 SI Average = 12) and Economic Subindexes (2000 SI Average = 12) are identical and vary only modestly from those observed for other, lesser developed, world regions (Estes, 2004a). Both scores are substantially below those achieved by the Baltic States and the EITs of Central and Eastern Europe (Table VIII).

Thus, the Russian Federation may be regarded as a country in a potential "take off" position for achieving progressively higher levels of social, economic and political development (Editors, 1995, 1997b). Complex, and long-standing, internal problems, however, suggest that a "full take off" over the near-term may be slower than anticipated (Steger, 2005). In any case, WISP data make clear that the Federation must make much more substantial investments in improving the status of women (Razavi and Hassim, 2006), in reducing environmental pollution, and in reducing its continuing high levels of defense expenditures if she is to join the group of economically advanced nations. Certainly, the Russian Federation already possesses all of the human capital and other resources needed to realize such ambitious goals but, to do so, will require a level of commitment which many commentators perceive to be increasingly more ambiguous on the part of the central government (Editors, 1998, 2001, 2002a, 2004a).

4.2.4. *The Commonwealth of Independent States (CIS)s.* All 12 of the Commonwealth of Independent States, including the Russian Federation which is treated separately above, are included in this analysis. Without question, all 12 states, including the citizens of the former Soviet Union, suffered terribly under the tyranny of the Soviet state (Chomsky, 1986; Handelman, 1998; Karatnycky, 1998). As a result, the majority of CIS countries bear the legacy of comparatively weak social and political institutions, a tendency toward closed (or at least highly controlled) markets, and a high level of distrust of well-financed, but independent, non-governmental organizations. Most also struggle with popular, multi-party, democratic movements that seek to shift power into the hands of the populace rather than bureaucratic office holders (many of whom previously served the former

regime). Since the collapse of the former Soviet Union in December 1991, these nations have emerged as fully autonomous nation-states in their own right—albeit all have joined together to form a network of economic alliances with other republics of the former Soviet Union (CIS, 2006). The “marriage” has not always been an easy one, but it follows a familiar and, therefore, more comfortable pattern for socio-economic-political development.

WISP scores for the eleven CIS countries averaged 62.0 in 2000—an average score that placed them in 4th place overall in social performance vis-à-vis other EIT countries. WISP scores vary enormously for each of the 11 countries included here (Figure 6) as do their subindex values reported in Table VIII. Average scores were most favorable for CIS nations on the Education (2000 SI Average = 16.3), Health (2000 SI Average = 15.7) and Population (2000 SI Average = 15.2) sub-indexes—each of which is critical to rapid rates of economic expansion. Subindex scores were poorest for Commonwealth EITs on the Social Chaos (2000 SI Average = 5.6), Environmental Effort (2000 SI Average = 8.9), and Welfare Effort sub-indexes (2000 SI Average = 10.1). Average sub-regional scores on the Women’s Status (2000 SI Average = 12.4), Defense Effort (2000 SI Average = 12.4), Economic (2000 SI Average = 12.1), and Diversity-Related Social Conflict (2000 SI Average = 11.8) subindexes were lower than expected, especially given the sub-region’s historical concerns with the advancement of women, environmental protection, and adopting more inclusive social policies designed to reduced what otherwise would have been dangerously high levels of diversity-related social conflict (Amnesty International, 2006; Editors, 2003c; Handelman, 1998; Karatnycky, 1998; Transparency International, 2006).

4.2.5. *Turkey.* Turkey was the only EIT which lost significant social ground between 1990 and 2000 (Average WISP net loss = -12.7%). Indeed, scores on only four WISP sub-indexes for Turkey either equaled or exceeded those for the world-as-a-whole: Cultural Diversity (2000 SI Average = 18.0), Health (2000 SI Average = 13.0), Education (2000 SI Average = 12.0) and Population (2000 SI Average = 10.0). Scores on the other six sub-indexes were substantially below those recorded for other EITs included in this analysis (Table VIII) and well below those report for the world-as-a-whole (Estes, 2004a).

Turkey remains one of the least developed of the EITs (Editors, 2005). High levels of Defense expenditures (2000 SI Average = 4.0), Social Chaos (2000 SI Average = 5.0), and Environmental pollution (2000 SI Average = 7.0), coupled with the comparatively low status of the country’s

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Women (2000 SI Average = 8.0) serve to undermine progress in other sectors, even in those sectors for which some appreciable gains are beginning to be observed, e.g., reductions in previously very high levels of Diversity-Related Social Conflict (Amnesty International, 2006), and advances in Health and Educational opportunities. Turkey's comparatively large population size by EIT standards (72 million and expanding at the rate of 1.5% per annum), large numbers of population out-migration and high levels of cultural diversity (80% Turkish; 20% Kurdish), no doubt, slows the country's pace of social development as does its centuries-long political conflicts within particular sub-regions within the country (SIPRI, 2005).

Turkey does aspire, however, to become more economically advanced and, over the long-term, to become a member of the European Union. Indeed, and in comparison with many East and Southeast Asian nations, Turkey has passed significant laws and taken other dramatic transformational actions in an effort to equalize the social standing of its highly diverse population. Relative geographic distance from many centers of trade, however, may be interfering with Turkey's capacity to develop its economy more rapidly, albeit the country's still low levels of public sector investments in Education and Health are even greater detriments to achieving the country's economic goals (UNDP, 2005). In any case, the country does currently enjoy remarkably high levels of human capital and has many natural resources of value to the global economy (UNDP, 2005; WRI, 2005). The country also has direct access to many sea routes which are totally unavailable to landlocked EITs and other nations which must pay heavy duties to move their mostly unprocessed or semi-processed goods across international borders.

4.2.6. *Selected Asian EITs.* Asian EITs are among the most diverse of the nations included in this analysis (Asian Development Bank, 2006b). The five countries included in the study's various tables include two countries officially designated by the United Nations as "least developing" (LDCs)—Cambodia and Laos—as well as one of the world's two population "super-giants" (China), along with sparsely populated Mongolia and two nations that have enjoyed only a handful of decades of peace over the past century, i.e., Laos and Viet Nam. The combined population of the Asian EITs total 1,401 million person, or approximately 76% of the total population of the 31 EITs included in this study. Fortunately, the pace of social progress in these countries is advancing at a comparatively rapid pace having increased their sub-regional 2000 WISP scores by 44.4% in just 10 years, i.e., from a group average WISP score of 30.6 in 1990 to 44.2 in 2000 (Figures 3 and 4).

TABLE-VIII.  
Subindex Performances for EITs For the Year 2000 Ranked by WISP Score and Grouped by Subregion (N = 31)

COUNTRY	Sub Region	Education	Health	Women	Defense	Economic	Population	Environ	Soc Chaos	Diversity	Welfare	WISP00
		Subindex Score	Subindex Score	Subindex Score	Subindex Score	Subindex Score	Subindex Score	Subindex Score	Subindex Score	Subindex Score	Subindex Score	Score
Lao PDR	AS	0	-1.0	3	6	12	2	9	3	7	10	21
Cambodia	AS	2	-2.0	1	11	13	-1.0	16	5	20	10	28
Viet Nam	AS	15	11	17	11	10	8	10	4	8	6	49
China	AS	16	13	17	12	14	14	11	5	4	7	56
Mongolia	AS	14	8	15	11	11	8	12	13	19	7	57
Subregional Avg.		<b>9.3</b>	<b>5.9</b>	<b>10.4</b>	<b>10.4</b>	<b>12.1</b>	<b>6.4</b>	<b>11.5</b>	<b>6.1</b>	<b>11.6</b>	<b>8.2</b>	<b>42.2</b>
Lithuania	BAL	17	17	14	13	11	24	11	16	5	13	74
Latvia	BAL	16	17	15	15	14	28	13	15	4	13	77
Estonia	BAL	16	14	17	14	13	28	7	17	7	19	81
Subregional Avg.		<b>16.4</b>	<b>16.3</b>	<b>15.5</b>	<b>14.0</b>	<b>12.7</b>	<b>26.5</b>	<b>10.4</b>	<b>16.0</b>	<b>5.5</b>	<b>14.9</b>	<b>77.0</b>
Macedonia	CEE	16	17	12	12	10	18	9	10	9	10	63
Albania	CEE	14	16	10	15	15	16	9	11	17	8	65
Croatia	CEE	15	17	16	10	10	23	10	7	15	11	70
Romania	CEE	17	13	14	12	10	25	9	13	15	20	77
Poland	CEE	21	18	16	13	11	22	10	16	21	16	85
Slovenia	CEE	17	18	14	15	16	24	8	16	16	21	85
Slovak Republic	CEE	20	20	17	13	13	21	15	15	13	24	87
Czech Republic	CEE	19	20	16	13	15	25	11	15	13	24	88
Bulgaria	CEE	17	18	20	10	13	29	9	14	16	22	89
Hungary	CEE	21	19	15	14	14	26	10	17	16	23	91
Subregional Avg.		<b>17.6</b>	<b>17.6</b>	<b>15.0</b>	<b>12.6</b>	<b>12.7</b>	<b>22.9</b>	<b>10.1</b>	<b>13.4</b>	<b>15.2</b>	<b>18.0</b>	<b>80.0</b>
Tajikistan	CIS	17	10	11	15	14	7	10	4	14	5	50
Uzbekistan	CIS	18	16	13	13	7	6	8	4	15	5	52

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Turkmenistan	CIS	17	15	17	7	15	4	8	3	14	5	54
Kazakhstan	CIS	18	17	15	16	14	17	7	6	3	2	59
Azerbaijan	CIS	18	15	14	11	17	13	9	1	19	3	60
Kyrgyz Republic	CIS	17	14	14	13	9	10	10	6	6	22	61
Georgia	CIS	17	16	11	16	9	24	10	8	9	5	63
Armenia	CIS	15	15	9	6	11	17	12	3	20	20	65
Moldova	CIS	15	17	16	17	8	20	9	11	12	7	67
Ukraine	CIS	12	18	17	8	12	26	7	9	2	22	71
Belarus	CIS	17	19	15	14	18	24	8	5	16	14	78
Subregional Avg.		16.3	15.7	14.0	12.4	12.1	15.2	8.9	5.6	11.8	10.1	61.7
Russia	RUS	16.5	18.3	11.7	6.9	11.9	23.7	6.3	-3.0	7.7	24.3	66.6
Turkey	TUR	12.2	12.7	8.0	4.4	8.9	9.8	7.4	5.1	18.4	7.0	48.0
(N)		31	31	31	31	31	31	31	31	31	31	31
Minimum Score		-0.4	-2.0	1.4	4.4	6.5	-0.7	6.3	-3.0	1.8	2.1	21.0
Maximum Score		20.7	19.6	19.9	17.0	18.3	29.0	15.7	16.9	21.3	24.3	91.0
Average Score		15.5	14.8	13.6	11.8	12.2	17.4	9.7	8.9	12.4	13.1	65.7

The most important achievements of the Asian EITs on the WISP's 10 sub-indexes, though still low by world standards, occurred in the Economic (2000 SI Average = 12.1), Cultural Diversity (2000 SI Average = 11.6), Environmental (2000 SI Average = 11.5), Women Status (2000 SI Average = 10.4), and Defense Effort (2000 SI Average = 10.4) sectors. Social progress within the Asian EITs remains well below average scores attained for the world-as-a-whole, and certainly in comparison with other EITs, in the Health (2000 SI Average = 5.9), Social Chaos (2000 SI Average = 6.1), Population (2000 SI Average = 6.4), Welfare Effort (2000 SI Average = 8.2), and Education (2000 SI Average = 9.3) sectors. Asian EITs should be regarded as relative "social laggards" when compared against the recent development performances of other EITs and the social gains achieved by the majority of similarly situated nations worldwide (Estes, 2004a).

The situation in the Asian EITs is especially troublesome given the size of their total population in combination with the widespread poverty that exists for many residents of these countries—including those of China's Central and Western provinces. Years of war, of course, have depleted the resources of Viet Nam, Cambodia and Laos but these wars now are in the past and, still, central government investments in the key sectors required to promote rapid economic development have yet to occur. Heavy dependence on foreign aid, international loans, and grants from international nongovernmental and other multilateral lending sources is a reality for the poorest of the Asian EITs (Table VI), sometimes though, in the process of receiving such aid, displacing local capacity for enhanced economic self-sufficiency (Asian Development Bank, 2006b; UNDP, 2003; World Bank, 2004).

Clearly, the international focus for the next development decade must be on helping the Asian EITs, including China, stabilize their economies and, as possible, to join as full and equal trading partners in the global market place. The attainment of such a goal will not be achieved easily, though, given the high levels of mutual distrust, internal tensions, political corruption, and the comparatively low starting point from which many of these nations begin. Even so, a beginning toward a more optimistic future must be made and, to the fullest extent possible, leadership for the types of initiatives that are needed to bring about the desired transformations must come from these nations themselves (United Nations, 2006).

## 5. DISCUSSION

This paper has sought to identify the major development accomplishments and challenges confronting economies in transition in various regions of the

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world. In all, data are reported for 31 politically autonomous nation states which, in all cases, are well along the path of transforming their social, political and economic systems toward others that are more open, competitive, participatory, transparent and people-centered. The data reported herein confirm that many countries are well along the path in achieving their transitional goals and, indeed, many now are beginning to experience a reasonable degree of economic stabilization in combination with membership in globally influential political and economic partnerships (e.g., World Trade Organization, World Bank, International Monetary Fund, United Nations, the European Union, and so on). Other countries, though, still are in a “take off” stage vis-à-vis attaining higher levels of social and economic development; the outcomes that one might expect to be achieved from these efforts is not altogether clear. However, given long-standing legacies of diversity-related social conflict, lack of adequate investment in basic health and education infrastructure and their comparatively uneasy, even contentious, trading relationships with more economically advanced nations (e.g., the Russian Federation) suggest that the future outlook for some EITs is less optimistic than for others.

Still other EITs included in this analysis, have hardly begun the process of transforming themselves toward more open and more participatory economic and/or political systems, or both, e.g., Armenia, Azerbaijan, Belarus, Cambodia, Kazakhstan, the Kyrgyz Republic, Laos, the Russian Federation, Tajikistan, Turkmenistan, Uzbekistan, and Viet Nam (Table VI). Many of these countries continue to invest heavily in highly inefficient state enterprises, thereby, undermining the fledgling privatization forces at work within their countries. Inadequate, in many cases declining, investments in health, education, and social welfare are inhibiting the development of other nations. Under-investments in the advancement of women and, thereby, children also impede national progress toward their development objectives (Razavi and Hassim, 2006). At the same time, many EITs-as-a-group continue their past pattern of over-investing in defense and military infrastructure and, in the process, are contributing to increased social insecurity rather than increased social security. The majority of these nations simply have not “caught up” with the new global order—one that emphasizes increasing social, political and economic integration over military domination (UNDP, 2003; Utting, 2006).

Nonetheless, as a group, the world’s EITs have made remarkable progress within the space of a relatively short number of years. They have achieved this progress both alone and in collaboration with major international partners including major multilateral development assistance organizations

(e.g., the International Monetary Fund, the Organization for Economic Cooperation and Development, the United Nations, the U.S. Agency for International Development, the World Bank, among many others), bilateral relationships with individual countries via both their agencies for international development and emergency development assistance programs (e.g., Denmark, France, Sweden, the United Kingdom). Many of the 31 EITs reported upon in this investigation also have benefited substantially from the remarkable generosity of important international philanthropists (e.g., William and Melinda Gates, George Soros, Ted Turner, among many others). Thus, this author maintains a sense of optimism concerning the near-term prospects for further, and deeper, development gains for the majority of EITs. And most of the gains that are achieved will be realized by the EITs themselves with only minimal aid from other nations; other EITs, however, will continue to require various forms of development assistance from the international community if they, too, are to accelerate their current pace of social development.

Certainly, advancing the quality of life of nearly one out of every four people living on the planet today depends on prudent decisions on the part of the world's governments if, collectively, we are to achieve the vision of world peace within the EITs in combination with the high level of human development sought after by people everywhere.

#### NOTES

<sup>1</sup> "Adequacy of social provision" refers to the changing capacity of governments to provide for the basic social, material, and other needs of the people living within their borders, e.g., for food, clothing, shelter, and access to at least basic health, education, and social services, etc. (Estes, 1984).

<sup>2</sup> For methodological reasons, the ISP's 40 indicators are divided between positive and negative indicators of social progress. On the Education Subindex, for example, higher *adult illiteracy* rates are negatively associated with social progress whereas gains in *primary school enrollment* levels are positively associated with overall improvements in development. Thus, not only is the ISP representative of all major sectors of development, the instrument also achieves balance with respect the range of positive and negative factors that are used to assess changes in social progress over time.

<sup>3</sup> For a fuller explanation of the procedures used to construct the WISP see Estes, 1988:199–209.

<sup>4</sup> A more comprehensive listing of such indices is summarized in Estes (2005a).

<sup>5</sup> Owing to problems of data availability and integrity, Bosnia-Herzegovina, Serbia, and Montenegro were excluded from the present analysis.

<sup>6</sup> Note: The average scores for each of the WISP's 10 sub-indexes was set at 10.0; thus, the theoretical range of WISP scores is 0.0–100.0, albeit owing to some unusual conditions operating in selected countries, some nations achieved scores either above or below the stated theoretical range (Estes, 2004a).

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<sup>7</sup> Note: Scores of 10.0 or lower fall well below the world average for all 161 countries included in the author's more comprehensive analysis of trends in social development worldwide (Estes, 2004a).

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