

The Focus Should Be the Post-communist Fall in Output

With the collapse of communism, officially recorded output plummeted throughout the post-communist world. Annual drops of more than 10 percent were standard, and Armenia’s GDP sank the most, 53 percent in one year (table 1).

The statistical biases are monumental, however. The first problem is the starting point. Economic chaos prevailed at the end of communism, with Romania and the Soviet Union registering sharp falls of output in its last year—Romania 7.9 percent in 1989, and the Soviet Union 6.1 percent in 1991 (table 2). While East-Central European transition is measured against the last communist year, the standard for the former Soviet republics (FSRs) is 1989, though it should be 1991 if discussing post-communism. That correction to 1991 eliminates an average of 5 percent of 1989 GDP in the decline for the FSRs.

Table 1. GDP, 1990–99  
(annual percentage change in constant prices)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999 (EST.)
<i>Central Europe</i>										
Poland	-11.6	-7.0	2.6	3.8	5.2	7.0	6.1	6.9	4.8	4.1
Czech Republic	-1.2	-11.5	-3.3	0.6	2.2	5.9	4.8	-1.0	-2.2	-0.2
Slovakia	-2.5	-14.6	-6.5	-3.7	4.9	6.9	6.6	6.1	4.4	1.9
Hungary	-3.5	-11.9	-3.1	-0.6	2.9	1.5	1.3	4.6	4.9	4.5
<i>South-East Europe</i>										
Romania	- 5.6	- 12.9	-8.8	1.5	3.9	7.1	4.1	-6.6	-5.4	-3.2
Bulgaria	-9.1	-11.7	-7.3	-1.5	1.8	2.9	-10.1	-7.0	3.5	2.5
<i>Baltics</i>										
Estonia	-6.5	-13.6	-14.2	-9.0	-2.0	4.3	3.9	10.6	4.7	-1.4
Latvia	2.9	-10.4	-34.9	-14.9	0.6	-0.8	3.3	8.6	3.9	0.1
Lithuania	-5.0	-5.7	-21.3	-16.2	-9.8	3.3	4.7	7.3	5.1	-4.1
<i>CIS</i>										
Russia	-4.0	-5.0	-14.5	-8.7	-12.7	-4.1	-3.5	0.8	-4.6	3.2
Belarus	-3.0	-1.2	-9.6	-7.6	-12.6	-10.4	2.8	11.4	8.3	3.0
Ukraine	-3.4	-11.6	-13.7	-14.2	-23.0	-12.2	-10.0	-3.0	-1.7	-0.4
Moldova	-2.4	-17.5	-29.1	-1.2	-31.2	-1.4	-7.8	1.3	-8.6	-4.4
Armenia	-7.4	-17.1	-52.6	-14.8	5.4	6.9	5.9	3.3	7.2	3.3
Azerbaijan	-11.7	-0.7	-22.6	-23.1	-19.7	-11.8	1.3	5.8	10.0	7.4
Georgia	-12.4	-20.6	-44.8	-25.4	-11.4	2.4	10.5	10.8	2.9	3.0
Kazakhstan	-0.4	-13.0	-2.9	-9.2	-12.6	-8.2	0.5	1.7	-1.9	1.7
Kyrgyzstan	3.0	-5.0	-19.0	-16.0	-20.1	-5.4	7.1	9.9	2.1	3.6
Tajikistan	-1.6	-7.1	-29.0	-11.0	-18.9	-12.5	-4.4	1.7	5.3	3.7
Turkmenistan	2.0	-4.7	-5.3	-10.0	-17.3	-7.2	-6.7	-11.3	5.0	16.0
Uzbekistan	1.6	-0.5	-11.1	-2.3	-4.2	-0.9	1.6	2.5	4.4	4.1

Source: EBRD (2000), p. 4.