ABSTRACT OF THE WORKING PAPER 5/14

SIMILARITIES AND DIFFERENCES OF INSTITUTIONAL CHANGE BETWEEN ENP COUNTRIES AND OTHER CATCH-UP COUNTRIES

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The working paper consists of the following parts: introduction; a chapter on the role of institutions for catch-up, covering a discussion on Washington Consensus and the BeST Consensus as the paradigms of East Asia catch-up economies development; a chapter with conceptual framework discussing whether the BeST Consensus model of successful growth of East-Asian states could be transferred to other transition countries; a chapter on institutional change in the transition economies, former Soviet Union states and the MENA region; a chapter describing existing data on institutional indicators of the economic growth by the World Bank and the World Economic Forum; in the end the working paper introduces the overall summary.

The role of institutions, both formal and informal, for uneven economic growth is clearly proved to be prominent while reviewing theoretical and empirical studies of institutional change in East-Asian countries as well-known catch-up states. By contrast, institutional transformation of the post-Soviet transition states and the MENA region economies shows how the low quality of institutions affects negatively economic transformation. The role of the government in high performing Asian economies is compared to the role of centralized post-communist governments within the perspective of institutional path-dependency and informal institutions being unready to accept formal institutional transformations. A conceptual framework of the paper provides theoretical perspectives of possible amelioration of institutional quality in ENP states using experience of up-front catch-up states, which introduces a possible useful theoretical sketch for the further empirical research in the institutional field of ENP.