

Well-Being in the Transition Economies of the Successor States of the Former Soviet Union: The Challenges of Change

15

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*Sukhov went off to sleep, and he was completely content. Fate had been kind in many ways that day; he hadn't been put in the cells, the gang had not been sent to the Socialist Community Center, he'd fiddled himself an extra bowl of porridge for dinner the day had gone by without a single cloud—almost a happy day. There were three thousand six hundred and fifty-three days like that in his sentence, from reveille to lights out. The three extra days were because of the leap years. —Alexander Solzhenitsyn, *One Day in the Life of Ivan Denisovich**

(Malouf 2011: 4)

15.1 Introduction

We examine well-being trends in the context of turbulent economic and political change in transition and posttransition economies of the Eastern Bloc, defined here as the countries in Central and Eastern Europe (CEE) and those of the former Soviet Union (FSU) that had centrally planned economies and socialist governments or were part of the former Soviet bloc before 1989.¹

¹The transition countries of the former USSR are Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kosovo, Kyrgyz Republic, Latvia, Lithuania, Macedonia FYR, Moldova, Mongolia, Montenegro, Poland, Romania, Russian Federation, Serbia, Slovak Republic, Slovenia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan. Posttransition countries are the eleven CEE member states that joined the EU between 2004 and 2013 (EU-11): Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. Although Croatia joined the EU in 2013, we did not include it as an EU country in our calculations because we only have data through 2011.

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Central planning brought varying degrees of political repression, with the extreme described in the preceding quote, but also, for most citizens, universal guarantees of social services and economic security. With the transition, these countries experienced a fundamental restructuring of their economic, political, and social welfare systems, which led to unprecedented changes in the lives of most citizens.

Although all of these countries experienced decades of centrally planned economies and political repression, they brought very different histories and institutional compositions to the Soviet era. The Eastern European countries had a longer term trajectory of markets and democracy and a shared cultural history with Europe. The countries of the former Russian empire, meanwhile, had little experience with democracy prior to the Soviet period, although they were fairly sophisticated economically. Many of the countries of Central Asia entered the Soviet period with underdeveloped states and markets, and some were pastoral and even nomadic societies, as in the case of Mongolia. Not surprisingly, these different experiences and economic and political trajectories resulted in very different

outcomes, both under central planning and during the transition.

These different histories and vast internal diversity were made more complex by borders that were drawn only recently. They were all influenced by the shared experience with Communist governments and central planning. Yet, because of their different starting points and different levels of prior experience with markets and democracy, they entered the transition process with different institutional capacities. For the most part, as we demonstrate, the countries that had had market economies and democratic government in the past—and that were also more closely linked to Europe—fared much better during the transition, although there were winners and losers within them. A theme of this chapter is the vast differences in outcomes, both across countries and the individuals within them and the extent to which these differences are reflected in well-being indicators.

Although they are diverse and in different countries, the vast majority of citizens lived in societies that lacked political and economic freedoms but provided guaranteed access to basic public goods, such as health and education, and universal, if not always fulfilling, employment to all citizens. The transition to market economies and political freedom was as abrupt as it was dramatic, and those countries that had prior experience with markets and democracy were in a better position to manage it, whereas the particularly vulnerable groups within all countries, such as the elderly, had the most difficult time coping.

The effects of these complex changes on the lives of ordinary citizens are reflected in both *objective* indicators of economic progress, such as gross national product (GNP) per capita, income inequality, and unemployment rates and in *subjective* well-being metrics, such as life satisfaction and satisfaction with jobs, standard of living, and public goods. The latter metrics attempt to measure the various dimensions of well-being that extend beyond income. We provide, to the extent we can, an analysis of both. Objective and subjective indicators of progress

tend to run in the same direction, yet there are, at times, differences between them (discussed in detail below).

This chapter covers the period from the 1980s through 2012 and uses data from a number of sources, including the World Development Indicators, the World Values Survey, the Gallup World Poll, and the Life in Transition Survey (LiTS). Our analytical approach is based in the new science of well-being. Scholars from a range of disciplines, including economics and psychology, are now using well-being metrics to explore the effects of environmental, institutional, and policy variables on well-being.

We are, of course, attempting to draw broad conclusions about a tremendously diverse group of countries, and we will inevitably miss important differences across specific countries. To make more meaningful comparisons, we split the transition countries into two groups: European Union (EU) and non-EU, the broad assumption being that those that have been accepted in the EU have made more complete economic and political transitions.²

15.2 The Transition: Why the Past Matters to the Future

15.2.1 A Varied Experience

The transition experience—e.g., the transition from centrally planned economies and polities to free markets and democratic governments—varied a great deal, both across and within countries, and there were clear “winners” and “losers” in the process. The trends during the transition are stark. Economic growth was consistently negative in the region as a whole from 1989 until 1996 (Milanović 1998). Mortality rates increased in all

²The EU countries in this analysis are Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. Although Croatia joined the EU in 2013, we did not include it as an EU country in the calculations because we only had data through 2011.

countries except the Czech Republic and Slovakia (Cornia 1994), especially among men aged 15–54. The total number of the poor (using the \$4/day purchasing power parity (PPP)-adjusted poverty line) increased from 14 million people in 1987–1988 to more than 168 million in 1993–1995 (from 4 % to 45 % of the population) (Milanović 1998).

In terms of subjective well-being (and again the pretransition data are spotty), residents of the Russian Federation reported lower levels than those of developing countries such as India and Nigeria as early as these indicators were recorded, in 1982. By the 1990s, subjective well-being levels fell to even more unprecedented levels; in fact, they fell to the world's lowest levels ever recorded (Inglehart et al. 2013). World Values Survey data for a few transition countries suggested that life satisfaction was higher in the 1980s than it was in 1990s (Easterlin 2009). Easterlin (2009) also noted an increase in anomie in the period leading up to the transition (1978–1990) and then an increase in mental stress between the 1980s and 1990s, as the transition progressed.

Although many deprivations occurred in the pretransition period, with lack of freedom being paramount among them, there were also significant securities that enhanced well-being, such as guaranteed employment and universally available social safety nets (e.g., social welfare and social support systems) (Milanović 1998). These securities were disrupted if not destroyed by the transition. At the same time, it is unlikely that the picture would have been better had the increasingly stretched centrally planned system remained in place. The dramatic changes of the time were driven by broad public momentum that stemmed from public frustration and unhappiness with the state of things under central planning.³

³Citizens of the FSU expressed significantly lower levels of support for the successor regimes throughout the transformation, however. On average, only 32 % of FSU respondents expressed positive support for the new regime across the transition to date, compared with an average of 60 % for CEE respondents. For the three FSU regimes, there was a modest, but generally steady, increase in the

Although income and consumption measures improved by the end of the 1990s and people gained rights and freedoms, many residents of transition countries remained dissatisfied. According to data from the European Bank for Reconstruction and Development for 2006, only 25 % of respondents agreed with the statement that the economic situation in their country was better in 2006 than in 1989 (Guriev and Zhuravskaya 2009). Public opinion surveys in the 2000s documented an emergent “communist nostalgia” in CEE, i.e., a positive evaluation of the socialist economic system and an approval of the return of communist rule, especially among older respondents and in the FSU countries, for example, Ukraine and the Central Asian countries, as opposed to the CEE (Ekman and Linde 2005). This finding is reflected in our empirical results.

15.2.2 Starting on the Path Toward Reform

The transition from command to market economy was an enormous undertaking for all of the FSU countries. The highly centralized socialist economic system had focused on full employment, price controls, and gross production at the cost of efficient allocation of labor and capital, innovation, and the growth of enterprise. The political discourse that accompanied the fall of the Soviet Union called for democracy and a capitalist economy governed by protection of private property and a sound legal framework. Shortly after 1989, the CEE nations in particular had in mind a model for their future economies and sought to emulate the economies of their Western neighbors. Others, such as the pastoral societies of Central Asia, had neither the education nor the social or technical skills that would have made

percentage of citizens who supported the transition regime over time. Among the CEE regimes, support increased slowly through 1995 and then fell back to initial levels in 1998. Russia was slightly different, with a big increase in support from 1991 to 1994 and relatively steady support thereafter (with a spike at the time of the 1997 presidential elections [Mishler and Rose 1997: 324]).

them EU-eligible nor the cultural and historical affinity with Europe that would have fostered interest in joining the EU.

Thus not all countries were equally positioned to take on the reforms required for success in the new era of markets and democracies as they began the transition. The outcomes reveal a great deal of related path dependency and reflect countries' initial endowments; their choice of and commitment to policy reforms; and their ability to implement them.

There were three clear groups of countries, with some heterogeneity among them. The first are those referenced above, the CEE countries that wanted to "return" to Europe, to which they historically belonged. The second were the truly Soviet countries: Russia, Ukraine, and the close neighbors, who had little tradition of either markets or democracy. They were the most dominated by central planning but also had reasonable resource endowments. The third set of countries—which includes the countries in Central Asia—was the furthest away from either Europe or Russia (both in distance and in shared experience). They not only lacked a tradition of democracy and market economies but also had entered into the Soviet central planning period with the challenges faced by typical underdeveloped economies. As such, they had even greater obstacles to overcome when they entered the transition process. Not surprisingly, their situation remains the most precarious.

The return to Europe for the first set of countries was facilitated by the fact that the EU embraced and guided policy for the Central European states, the Baltics, and eventually, Romania and Bulgaria. It was clear from the outset that these countries wanted market economies and democracies and would do their utmost to rejoin the West. Poland, the Czech Republic, Estonia, Latvia, and Lithuania underwent radical shifts to the market—e.g., "shock therapy." They liberalized prices, reduced budget deficits, unified exchange rates, and implemented extensive and at times controversial privatization of state enterprises. Hungary, southeast Europe, and most of the FSU undertook more slowly paced reforms. Through gradual reform, they sought to build a

quality framework for a market economy and address inflation, budget deficits, privatization, and monetary expansion. Its proponents argued that gradualism would avoid the extreme pain of shock therapy, or in some cases, that gradualism could help retain the more appealing tenets of socialism, such as the substantial social safety net.

15.2.3 Reform in Action

The most problematic of the reforms undertaken simultaneously were deregulation and inflation. Deregulation was made difficult and complicated by the wealthy and politically connected who sought to take advantage of the international arbitrage opportunities that state-owned enterprises offered. Stakes in state-owned enterprises throughout the FSU were concentrated in the hands of a few. Meanwhile, 13 countries experienced hyperinflations in the 1990s that were exacerbated by the perception that transition economies needed to maintain the same social benefits that they had become accustomed to and perhaps to increase public spending in order to better align with Western European nations.

Stabilization is a rocky process, and, as of the 1990s, was achieved only by Central Europe and the Baltic states. Poland and Estonia successfully stabilized by fixing their currencies or adopting a currency board, as did Bulgaria and Lithuania. Reform followed a much messier trajectory in the nations that were not embraced by the EU and that eventually formed the Commonwealth of Independent States. Nations like Ukraine and Kazakhstan, perceived by the EU as non-Western and perhaps export threats, did not receive the same financial or policy assistance that nations like Poland and Slovenia did. Other countries in the FSU experienced currency crises brought on by enormous public debt (hyperinflation had reduced state revenues in some instances). Russia experienced a financial crisis that culminated in the devaluation of the ruble, and Bulgaria experienced a crisis stemming from its faltering financial sector.

Three transition paths emerge among the transition economies: market democracies with sub-

stantial private ownership (Poland and the Czech Republic), market economies still bogged down by bureaucracy (Bulgaria and Ukraine), and dictatorships (Belarus, Turkmenistan, and Uzbekistan) in which public ownership and state control are central features. Both Anders Åslund (2007) and Branko Milanović (1998) highlighted the extent to which the postcommunist countries experienced, with a few exceptions, some of the most dramatic increases in inequality seen since it has been accurately measured. In addition to the dramatic nature of the transitions, part of this change was due to the fact that pretransition inequality was at low levels that were not compatible with market systems with incentives for productivity and innovation.⁴

As privatization created enormous wealth for a few, real average income declined for the majority of the population, especially in Russia. Most countries went from zero unemployment to rates that resembled those in developing economies at the same time that public benefits were being cut dramatically. In contrast, the Central European countries that most closely mirrored the EU enjoyed relatively lower levels of income inequality and lower unemployment, more closely resembling European levels. These nations, including Slovenia, the Czech Republic, and Slovakia, were, for the most part, able to maintain the egalitarian income distribution they had had before the transition.

15.3 Objective Trends and Indicators

In comparing trends pre- and posttransition, we suffer from the absence of counteracts. In other words, the economic and political situations were deteriorating in many of these countries

⁴The pretransition economies lacked what Birdsall and Graham (1999) have called “constructive inequality,” which is that which rewards work, effort, and productivity and innovation. This type of inequality is distinct from “destructive inequality,” which is defined as levels of inequality that are so high and persistent that they discourage savings, effort, and investments in the future by the poor.

prior to the transition, and we do not know what would have happened in the absence of this deterioration. Pre-1989 data are either nonexistent or untrustworthy (Lipton et al. 1990). Some indicators exist, ranging from trends in life expectancy to rates of alcoholism. These indicators then worsened during the initial years of transition.

15.3.1 Economic Trends

The economic trends for the transition economies speak for themselves. In 1996, overall gross domestic product (GDP) was about 80 % of its 1987 level in Eastern Europe and about 60 % of its 1987 level in the FSU, but it recovered in the late 1990s, with the extent of the recovery varying a great deal across countries (Milanović 1998). As with many indicators, the recovery in the EU group of countries was much more complete than in the non-EU group (Fig. 15.1). Although GDP recovered, meanwhile, income inequality, which widened significantly (from artificially low levels), remained at much higher levels than it was before. As in the case of GDP trends, those countries that started the process better endowed and that had a longer trajectory of markets and democracy prior to the Soviet period fared much better (Fig. 15.2).

The costs of transition in terms of reduced output and increased unemployment were enormous, as were the social costs of transition to a market economy. The state sector had employed 90 % of the labor force in many FSU countries, and its shrinkage had obvious effects on unemployment (Milanović 1998).

15.3.2 Social Welfare Indicators

Perhaps the most dramatic trend was in the structure of the social welfare system. Free health care, education, and childcare, distributed via state sector employment, were all reduced sharply following the initiation of the transition, as were pensions and wages for the state-sector employees who remained. The unemployed no longer

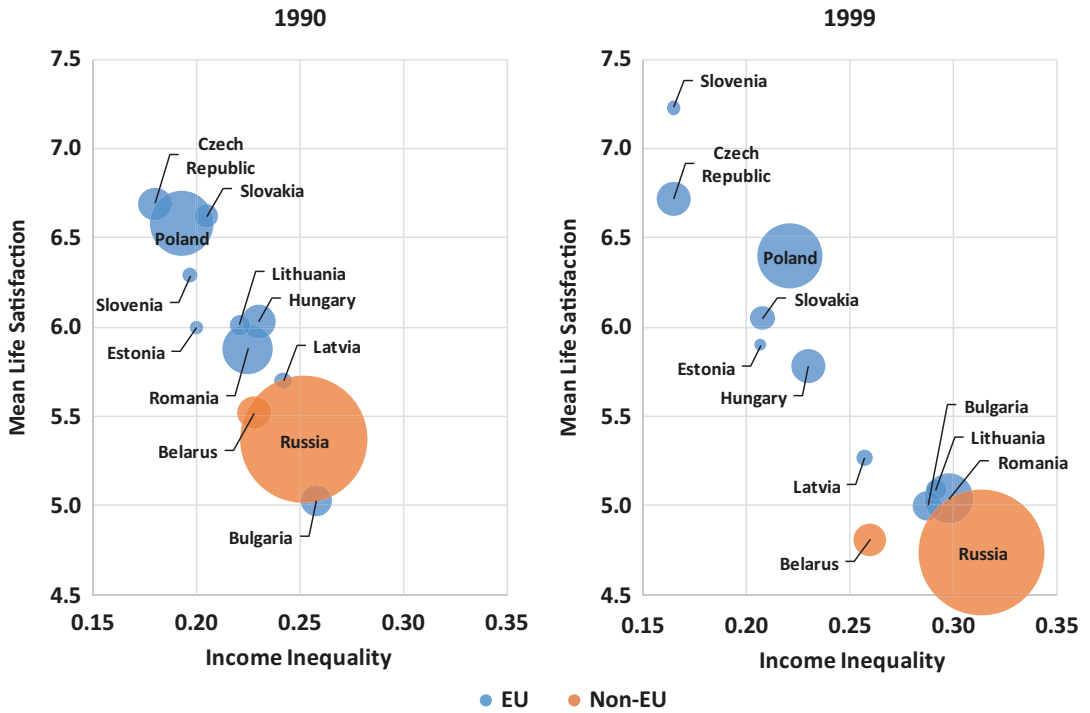


Fig. 15.1 Real per capita GDP growth in the transition economies of the nation-states of the former Eastern Bloc, 1981–2012. The per capita growth variable is calculated using gross domestic product per capita and purchasing

power parity (constant 2005 international dollars). Data are not available for all countries for all years (Data from World Bank 2014)

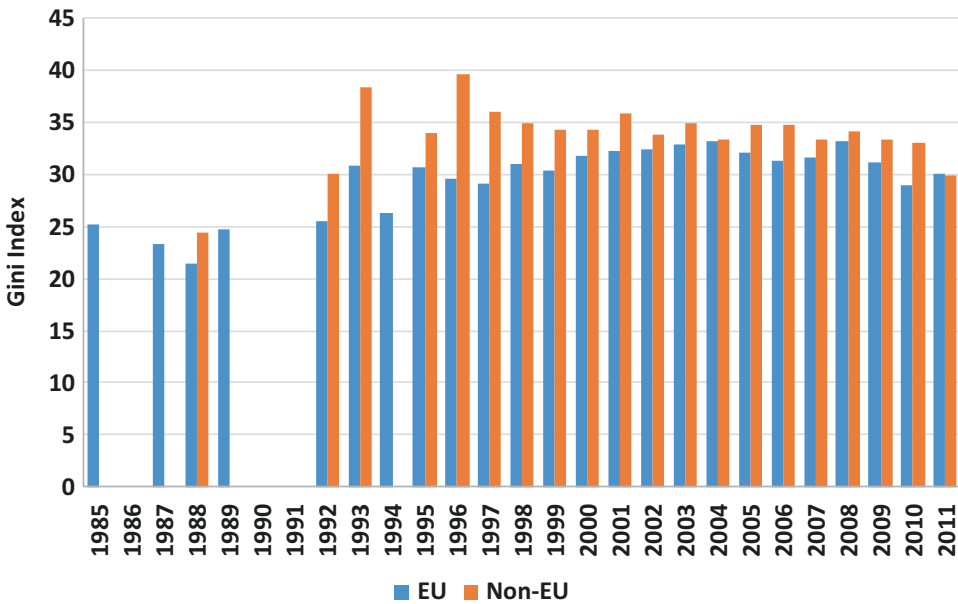


Fig. 15.2 Income inequality in the transition economies of the nation-states of the former Eastern Bloc, 1985–2011. Data are not available for all countries for all years (Data from World Bank 2013, 2014)

received the government pensions or family allowances they had previously enjoyed and had to seek out whatever benefits were available—a huge normative departure. This change created perverse incentives to remain in unproductive and nonlucrative state-sector jobs, where available, in order to avoid the loss of health and other benefits. This practice, in turn, slowed the transition process, limited productivity, and served as a drain on fiscal resources in some countries, particularly Russia and Ukraine (Eggers et al. 2006; Gaddy and Ickes 2002).

Indeed, one of the most marked features of the transition is the large number of people—and indeed countries—that remain stuck in what Clifford Gaddy and Barry Ickes have famously termed the “virtual economy,” stuck between state and market, in a system that depends on central government revenues and barter between public enterprises and their employees. The divergence between vibrant cities such as Moscow and St. Petersburg on the one hand, and Perm and Koryak Okrug in Siberia (which has the lowest population density in Russia) in rural

Russia on the other, for example, or between vibrant economies in Poland and the Czech Republic, and stagnating and incomplete transitions in Ukraine, Belarus, and the “stans,” is remarkable. Civil society, meanwhile, was sorely underdeveloped because many countries had no recent experience with political participation or free press, among other things.

Societies accustomed to having universally available and state-provided services were ill-equipped for a shift that required much more individual initiative to receive access to social welfare benefits (Graham 1994, 1998). The reduction in quality and size of socialist programs across the board led to a tangible loss of welfare. Mortality and morbidity increased substantially in some cases, particularly in the FSU (Fig. 15.3). Direct subsidies and social transfers had been allocated disproportionately to the impoverished and had done a great deal to equalize the income distribution, although the effects were not uniform across the countries, depending on the structure of transfers (Milanović 1998) (Fig. 15.4).

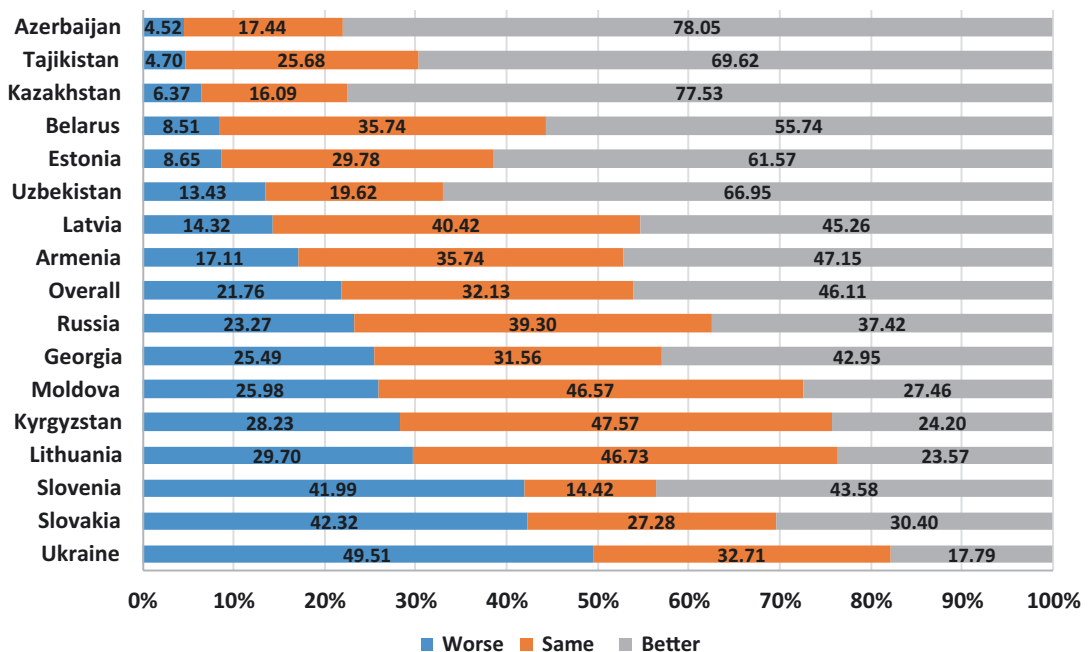


Fig. 15.3 Life expectancy at birth in the transition economies of the nation-states of the former Eastern Bloc, 1980–2011. Data are not available for all countries for all years (Data from World Bank 2014)

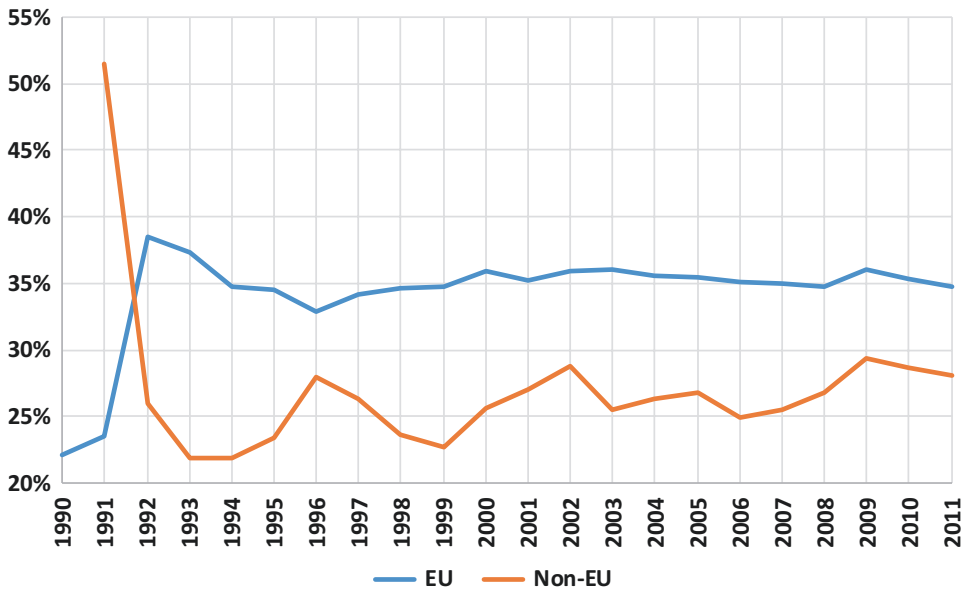


Fig. 15.4 Social contributions (% of revenue) in the transition economies of the nation-states of the former Eastern Bloc, 1990–2011. Data are not available for all countries for all years (Data from World Bank 2014)

We saw major differences in health trajectories across our various groups of countries as well. EU member states converged to their Western counterparts across indicators whereas FSU states stagnated or fell behind (though Russia and Ukraine began to converge in the late 1990s). The Baltic States, meanwhile, initially followed a trajectory resembling that of Russia but subsequently sustained continued improvements in general health indicators (Nolte et al. 2004). The situation remains far more difficult among the members of the Commonwealth of Independent States, with some countries experiencing a reversal in life expectancy.

In all industrialized countries, men have a lower life expectancy than women but the difference is much larger in this set of countries. In addition, whereas in the countries of the EU gender-related differences appear to have narrowed in recent years, to just over 6 years in 2000, the FSU saw a further increase in the late 1990s, following substantial fluctuations since the mid-1980s, to 11 years in 2000. This last increase was, however, driven mainly by the recent reversal in mortality trends in Russia and Ukraine, whereas the Caucasus countries experi-

enced considerable declines in the late 1990s, to about 5 years in 2000, largely because of steady deterioration in male mortality rates (Fig. 15.3). Life expectancy for Russian men dropped to roughly 50 years of age.

The transition from socialism also altered family structures in the FSU. The command economy had encouraged high labor participation of both men and women and had encouraged families to have children by offering sizable family allowances, free childcare, and education. With the loss of many of these societal constructs, accompanied by burgeoning unemployment, women often transitioned from paying jobs to domestic work and childcare. Fertility rates fell concurrently (Milanović 1998) (Fig. 15.5).

Investments in education made considerable progress under communism, particularly for those countries in the Soviet Union that were the least developed. Between 1950 and 1990, the percentage of the population in the FSU with no schooling fell rapidly, with the largest change occurring in the east. Those countries with strongest ties to communism began with an uneducated populace of over 35 %, compared to 16 %

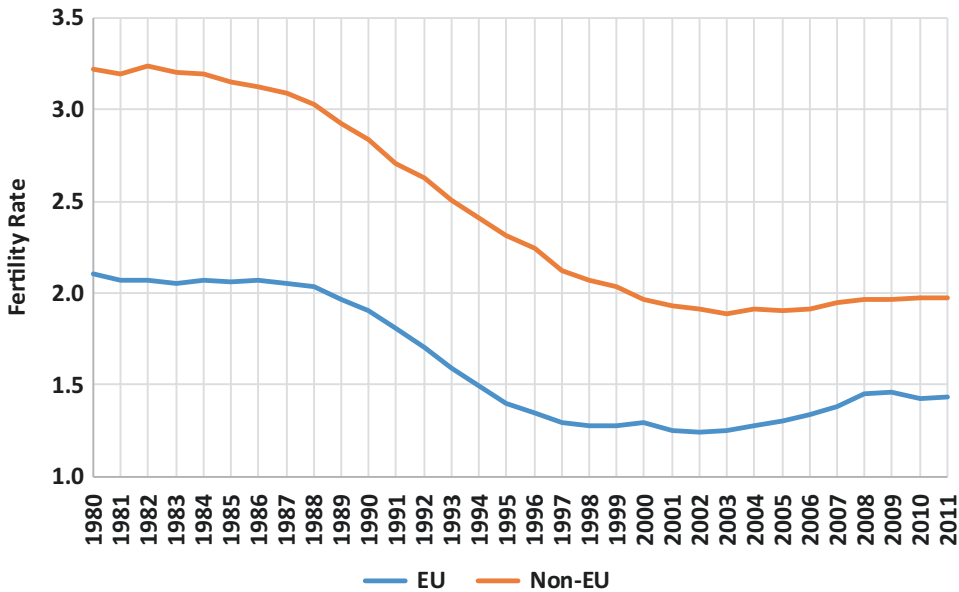


Fig. 15.5 Fertility rates in the transition economies of the nation-states of the former Eastern Bloc, 1980–2011. Total fertility rate equals average births per woman. Data

are not available for all countries for all years. (Data from World Bank 2014)

in their western Soviet Union counterparts. By 1990, the percentage of the population with no schooling in the eastern Soviet Union had fallen to below 10 % (Figs. 15.6).

With the fall of the Soviet Union, education became more expensive and less accessible for a majority of the population; at the same time, the economic returns from acquiring an education, and especially higher education, rose considerably. As the pay differential between low-skilled and high-skilled laborers grew, the marginal benefit from attaining a higher level of education grew as well.

15.3.3 Vulnerable Groups

The transition from market to socialist economy was particularly difficult for marginalized groups in the FSU, including women, the elderly, the very young, and the “new poor.” Although there was also likely a differential in how “first peoples” in particular countries fared, we cannot define and identify a consistent set of “first peoples” across this wide set of countries.

Women were disproportionately and adversely affected by the consequences of transition, especially by unemployment and underemployment. The loss of maternal and childcare benefits and the deterioration of social safety nets reduced their ability to participate in the labor force, in government, and in political parties (Ishkanian 2004). The gender-driven discrepancy in outcomes was, however, gradually reduced over the course of the transition (Slay 2009). The elderly in the FSU suffered similarly from a decline in or loss of pensions, which increased the incidence of poverty. It was also more difficult for them to adjust to economic hardship due to their more limited capacity to adapt (Bezemer 2006), their physical frailty, and their status outside of the labor force. Partly due to the decline in family allowances and health benefits, children were even more likely to fall into chronic poverty than were the elderly, particularly in those FSU states further east (Slay 2009).

In addition to the suffering of traditional disadvantaged groups in the early 1990s, the economic transition also created a “new poor,” consisting of farm workers and petty traders; public servants in sectors such as education,

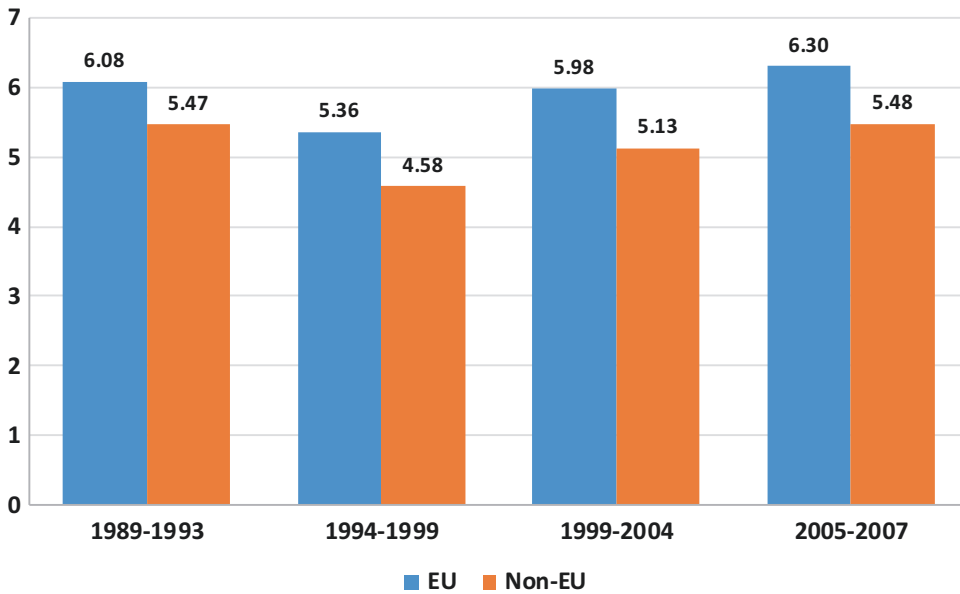


Fig. 15.6 Percentage of population with no schooling in the nation-states of the former Eastern Bloc, 1950–2010. Data are not available for all countries for all years (Data from Barro and Lee 2010, 2014)

health, science and the arts; youth with no work experience; and the internally displaced (Slay 2009). Although Jews had seen an increase in grassroots anti-Semitic sentiment during the last years of the Soviet Union, by 1991 the status of Soviet Jews changed drastically. Those willing to flee the economic instability of the transition emigrated to Israel—vast numbers of Jews from Russia and Ukraine in particular did so in the early 1990s—whereas others could not and lost a sense of community in places that experienced a mass exodus (Trier 1996).

The different fates of the wide range of other minority groups throughout the region, from the Roma in the Eastern European countries, to the separatist movements in Chechnya, are too diverse to discuss comprehensively. Minorities in some countries experienced more freedom, economic opportunity, and higher levels of life satisfaction once political freedoms were established, whereas others remained marginalized due to different balances in ethnic and racial composition across countries and even regions within them (Graham et al. 2004). Some, like the separatists in Chechnya, became radicalized over time.

15.4 Subjective Well-Being Trends

We address the two distinct dimensions of subjective well-being where possible in our empirical analysis. Hedonic well-being assesses the way in which people experience their daily lives and the quality of their lives. Evaluative well-being metrics capture how people think of their lives as a whole (Stone and Mackie 2013). This dimension implicitly includes Aristotle's view of happiness as people's capacities to lead purposeful or fulfilling lives.

A large number of studies, including those by Graham (2009, 2011b), found remarkable consistency in the determinants of happiness (evaluative well-being) around the world, in countries as different as Afghanistan and Sweden. Within countries, income influences happiness, but only so much after basic needs are well met; health, employment, stable partnerships, friendships, and freedom are also very important (see also Blanchflower and Oswald 2004; Helliwell et al. 2013; Layard 2005). There is also a consistent U-shaped relationship between happiness and age, with the low and/or turning point ranging

from roughly 44–50 years, depending on the country. This consistency in the basic determinants of well-being allows scholars to control for these factors and to study the effects of variables that vary more, such as inflation and unemployment rates, crime and corruption, and obesity and exercising, among others. We use the metrics as a lens into well-being trends in the transition economies.

15.4.1 Adaptation and Progress Paradoxes

There are also some methodological challenges that are relevant to the transition economies. The first of these is adaptation, which is a psychological preservation mechanism. People can adapt to most (but not all) conditions, such as poor health, crime and corruption, and poverty, and report to be “happy.” This ability is in part due to low expectations in contexts where people do not have the capacity to make choices or control their lives. Graham’s research shows that individuals are more likely to adapt to unpleasant certainty than they are to change and uncertainty (Graham 2011a; Graham and Chattopadhyay 2009; Graham et al. 2011).

A related theme is the different effects of a variable’s *changes* versus *levels* on well-being. Higher levels of per capita GNP and the better public goods, more freedoms, and better environmental quality that go along with them, are typically associated with higher levels of well-being. Yet, we also find that respondents in the process of change, such as during times of rapid economic growth, tend to be less happy than the average. The reason for this “paradox of unhappy growth” is that increasing inequality, changing rewards to different skill sets, and large differentials in rewards across similar cohorts often accompany rapid growth (Graham and Lora 2009; Graham and Pettinato 2002a, b).

Progress can be accompanied by a paradox. Progress and change often bring higher levels of evaluative well-being but also higher levels of stress and sometimes anger at the same time, as we found in a recent study of the effects on well-

being of newly acquired access to information technology. Life gets better but is also more complicated (Graham and Nikolova 2013a, b). These issues are highly salient in the transition countries. The progress paradox has been marked and rapid; unpleasant certainty in the pretransition era has shifted to extreme economic and political uncertainty. We noted a major variance across winning and losing cohorts, both within and across countries.

15.4.2 General Trends in Subjective Well-Being

Not surprisingly, subjective well-being trends in this diverse set of countries reflect the dramatic nature of transition, in both income and non income dimensions of life. In general, life satisfaction displays a V-shaped trend, with levels falling dramatically with the onset of the transition (mirroring the dramatic changes in economic growth levels and patterns) and then recovering toward pretransition levels, albeit incompletely in most countries, from roughly 2005 on (Easterlin 2009) (Fig. 15.7).

15.4.2.1 Adaptation to Uncertainty

Uncertainty is a key reason for the incomplete recovery in life satisfaction. The transition from the Soviet era of centrally planned economies to relatively unfettered markets and open polities is perhaps one of the most striking examples of moving millions of people from unpleasant certainty to uncertainty. The V-shaped pattern in life satisfaction and the incomplete recovery reflect the extent to which citizens in the region are still bothered by this uncertainty and the different fates of winners and losers in the process (Fig. 15.7).

A clear marker of the latter trend is the marked increase in inequality of life satisfaction in the transition economies. In 1990, for example, one of the earliest points for which we have comparable data for life satisfaction in this set of countries, there were no significant differences in the life satisfaction of the “rich” (roughly labeled) and the “poor” (Easterlin 2009). Since that time,

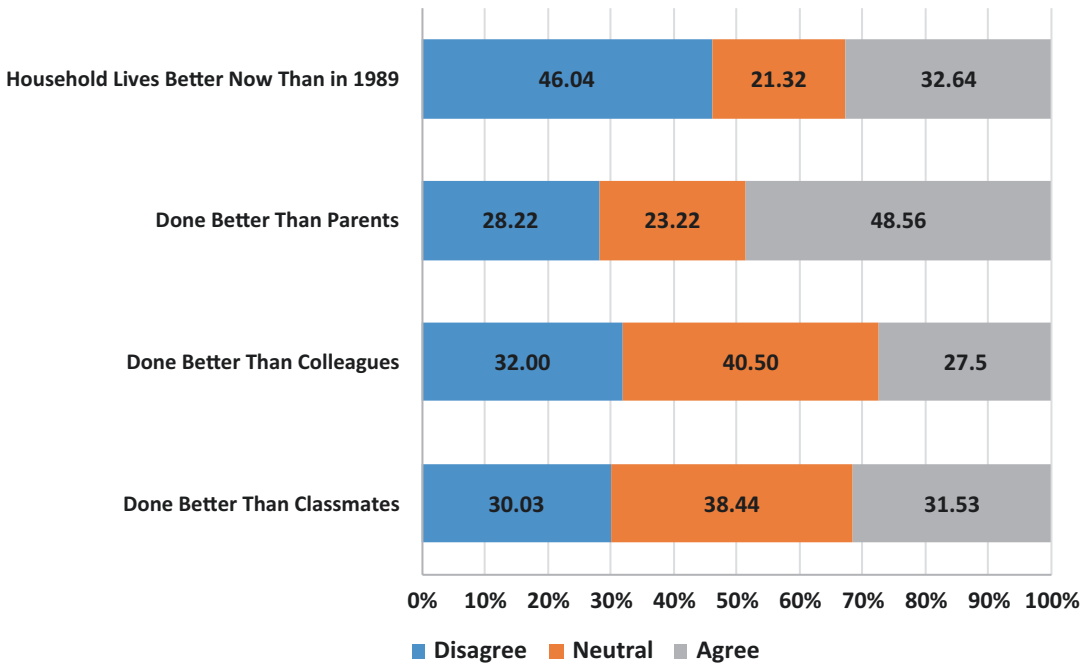


Fig. 15.7 The Done Better Than Classmates variable is based on the response to the question of whether the respondent has done better in life than her classmates (measured on a scale of 1–5, whereby 1 is strongly dis-

agree and 5 is strongly agree). The Higher Income Rank in 1989 variable is a binary indicator of whether the respondent believed to have had a higher income rank in 1989 than in 2006 (Data from Barro and Lee 2014)

inequality in life satisfaction has increased notably in both capitalist and transition economies, but the largest differences are clearly in the transition economies (in part because their starting point was so equal) (Table 15.1).

15.4.2.2 Income and Life Satisfaction

The adverse changes in life satisfaction in the transition economies were most notable for lower income groups, especially the unemployed and the elderly. If one looks more closely across domains, one sees important differences that also reflect the general trends in who gained or lost the most in the process. In general, the satisfaction levels with material living and employment are higher, reflecting the extent to which the opening to the market created new opportunities for employment and for differentiation in earnings as a reward to individual effort. On the other hand, satisfaction levels in the domains of health and family security are lower than before, reflecting the extent to which universal (and unsustain-

able) social welfare systems were eroded by the transition (Easterlin 2009).

Another notable and lasting trend in this set of countries is the extent to which life satisfaction levels are significantly lower than their income levels would predict, both at the country and individual levels. In other words, most countries in this group are below the “line of best fit,” which is where they theoretically should be if a cross-country regression of life satisfaction on per capita GDP were performed, as Easterlin (2009) did. At the individual level, citizens of these countries are, on average, less satisfied with their lives than are those of other countries with comparable levels of income (in both cases, adjusted for PPP). What we are not able to do, due to data limitations, is to conduct a similar exercise in the pretransition period to see if the low average life satisfaction levels were a preexisting trend in this set of countries (and in part related to shared cultural and other experiences).

Table 15.1 Average and inequality of life satisfaction, 1989–1999

Country	Life satisfaction (1–10)			Life satisfaction (1–10)			Life satisfaction (1–10)		
	Initial year	Mean	Life sat. gini	Midpoint year	Mean	Life sat. gini	End year	Mean	Life sat. gini
Belarus	1990	5.5	0.23	1996	4.4	0.28	1999	4.8	0.26
Bulgaria	1991	5.0	0.26	–	–	–	1998	5.0	0.29
Czech Republic	1991	6.7	0.18	–	–	–	1998	6.7	0.17
Estonia	1989.5	6.0	0.20	1996	5.0	0.26	1999	5.9	0.21
Hungary	1990	6.0	0.23	–	–	–	1998.5	5.8	0.23
Latvia	1989.5	5.7	0.24	1996	4.9	0.26	1998	5.3	0.26
Lithuania	1989.5	6.0	0.22	1996	5.0	0.30	1999	5.1	0.29
Poland	1989	6.6	0.19	–	–	–	1997.5	6.4	0.22
Romania	1993	5.9	0.23	–	–	–	1998	5.0	0.30
Russia	1990	5.4	0.25	1995	4.5	0.32	1998	4.7	0.31
Slovakia	1991	6.6	0.21	–	–	–	1998	6.1	0.21
Slovenia	1991	6.3	0.20	1995	6.5	0.18	1999	7.2	0.17

Data from Easterlin (2009: 143)

15.4.2.3 The Role of Institutions

We also noted significant differences across countries. Countries that began the transition with better initial conditions, including a history of experience with markets and democracies, and that, not coincidentally, subsequently joined the EU, for the most part, demonstrated higher average levels of life satisfaction compared with those of comparable income levels in nontransition economies. Figure 15.8 shows that both of the dimensions of well-being—evaluative (overall life evaluation as measured by the best possible life question⁵) and hedonic (daily experience, as measured by smiling yesterday)—were consistently higher in the EU countries than they were in the non-EU countries from 2005 to 2012. At the same time, stress was also higher in the EU countries, with a slight increase in the gap in the years following the 2009 financial crisis. This finding most likely reflects the extent to which citizens of the EU countries were more affected by the prolonged crisis in the Eurozone.

⁵Best possible life (BPL) measures the respondent's assessment of her current life relative to her best possible life on a scale of 0–10, where 0 is the worst possible life, and 10 is the best possible life.

15.4.3 Inequality in Transition: Uneven Progress Within Countries

One of the most notable traits in well-being trends in this region is the extent to which they differ across cohorts within countries as well as across the broad set of countries noted above. Measured happiness in the transition economies follows the same U-shaped relation with age that it has in most countries in the world but differs in the fact that, for the most part, the turning point is slightly older on average (50 rather than 44–47 years) and is slightly slower to recover. The turning point in the age-happiness relationship is 52 years for the EU-10 (Rodriguez-Pose and Maslauskaitė 2012) compared with 62 years for Ukrainians, 35 years for the Swiss, and the global average of 46 years (Blanchflower and Oswald 2004). The older turning point in the transition countries in the end reflects longer periods of unhappiness over the life cycle in this set of countries.

The fact that several features of the transition have not favored the elderly is reflected in their reported well-being levels. They were, for the most part, more vested in the old system of central planning, less likely to be trained for the new

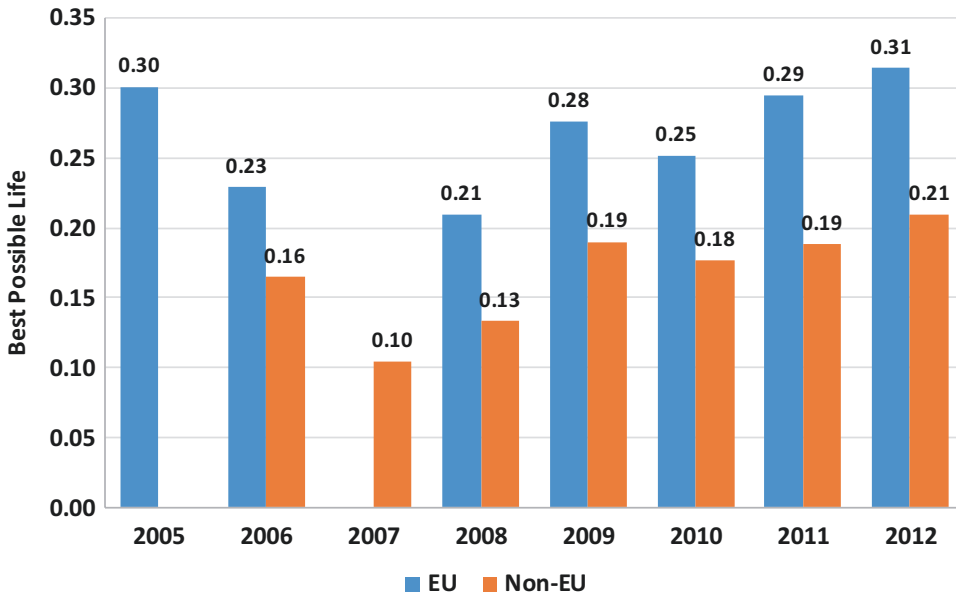


Fig. 15.8 Best possible life, transition economies of the nation-states of the former Eastern Bloc, 2005–2012. Best possible life measures the respondent’s assessment of her current life relative to her best possible life on a scale of

0–10, where 0 is the worst possible life, and 10 is the best possible life. Data are not available for all countries for all years (Data from Gallup World Poll 2014)

opportunities that the market economy introduced, and less able to adapt to the overall changes. At the same time, they were much more likely to be dependent on state pension systems with shrinking benefits, due to fiscal constraints, and rising costs for basic goods, due to the introduction of market pricing. And, as is typical with age, they were the cohorts that were most reliant on health care systems that were either eroding or in transition.

Cohorts with less education, and in particular less than college level education, were also losers in the transition. Many of the jobs that the free market introduced were in the financial, technology, and service sectors, jobs which the uneducated were not well positioned to fill. The largest declines in employment, meanwhile, occurred with the privatization of large state-owned enterprises that often employed large numbers of blue collar workers.

Finally, we noted gender differences in the well-being trends. As in most of the world, women reported higher levels of well-being, as measured by the best possible life question, than men, with the exception of Russia. Looking across domains, women were more likely to be

affected negatively by the deterioration of family life (and the related loss of generous childcare subsidies that made women’s participation in the labor force much easier in the pretransition era), whereas the well-being of men was more closely related to employment conditions and the labor market (Easterlin 2009).

15.4.4 Inequality in Transition: Democracy, Markets, and Well-Being Trends

15.4.4.1 Trends in Income Inequality and Life Satisfaction

The rise in income inequality in the transition economies in the past decades was much more marked than in other regions or countries, even those that have led the trend, such as the United States, the United Kingdom, and Australia (Graham 2014). Not surprisingly, there has also been an associated rise in inequality in life satisfaction (Table 15.1).

Along with widening income and life satisfaction inequality, we noted a differentiation in the

relationship between income and life satisfaction across cohorts within the transition economies. In general, the relationship was strongest for the lowest income groups, whereas for all income groups it was strongest at the beginning of the transition, perhaps because of the high degree of uncertainty in all domains during that period (Easterlin 2009). In addition, high inequality was seen as more problematic in transition economies than elsewhere, likely because former socialist states have stronger preferences for equality or at least a long trajectory of fairly equitable distributions.

15.4.4.2 The Missing “Democracy Premium”

Equally notable, these trends were not offset by the expected “democracy” premium. For the most part, around the world, individual freedoms and democratic governance are associated with higher levels of well-being, both within and across countries. A cross-country analysis of European nations, for example, finds a significant positive relation between democracy and happiness (Dorn et al. 2007). The transition economies do not completely fit this pattern. Easterlin (2009, 2012) found no association between happiness and democracy in the transition. This result is perhaps unsurprising, given that the abrupt arrival of democracy (and then its varied quality across countries) coincided with unprecedented changes and uncertainty in the economic and social realms, with the marked differences between the fates of winners and losers.

Grosjean et al. (2013) found that citizens’ attitudes about markets, democracies, and supporting institutions depended on the stage of transition and the business cycle. Amidst the economic crisis from 2006 to 2010, pretransition attitudes declined in CEE countries that were hit by a negative economic shock but increased in the less democratic countries in the Commonwealth of Independent States. Ironically, whereas the crisis lowered pretransition attitudes in general, it increased the demand for democratic reforms among the youth and groups excluded from the current political-economic system in corrupt and less liberalized transition countries.

15.4.4.3 Perceptions of Institutions Shape Expectations of the Future

The “prospect of upward mobility” hypothesis, which we have studied in a number of other contexts, posits that individuals who are poorer than average in the present, but expect to be richer than average in the future, exhibit a reduced level of support for redistributive policies. In general, it posits that if people believe in the opportunity structure in their country, they are willing to invest in their future and work within it rather than seek to rely on connections. In the transition countries, we found that this hypothesis held for the countries that joined the EU but not as well for those that remained outside it (Cojocaru 2012).

Almost half of the adults in Eastern Europe believe that it is very important to have connections to get a good government job. But there are cross-country differences. Respondents in transition countries that joined the EU were more likely to believe that inequality of opportunity is correlated with individual effort and hard work rather than with access to connections or lack thereof, and inequality of opportunity was perceived to be widespread outside of the EU but less so in EU countries (Cojocaru 2012).

15.5 Conclusions

Since the fall of the Berlin Wall in 1989, countries in Central and Eastern Europe and the FSU experienced turbulent economic, political, and institutional reforms, which brought about changes and experiences unknown during socialism. It is hard to generalize about such a diverse set of countries, all of which faced a traumatic transition experience but entered it with very different initial conditions and are emerging from it with various degrees of success. Transitions such as these are long processes. Some countries may still turn around and achieve sustainable growth and political stability; others, and particularly those with deeper governance and economic challenges, may continue to fall further and further behind.

Overall trends in life satisfaction reflect the dramatic nature of the transition and the associ-

ated drops in GNP and the erosion of important supporting social welfare mechanisms. As economic growth and stability recovered, so did life satisfaction, with the greatest increases in the economic domain and much less progress in the domains of health and family life. As inequality increased, meanwhile, so did inequality in life satisfaction, with the gaps between the happiest and least happy in society increasing together with the gaps in income.

Within and across countries, well-being trends clearly varied between the winners and losers of transition. Winners and losers are found among countries and cohorts of particular ages, income, and education within them. Those countries with historical linkages to Europe and with economic, political, and judicial institutions that most closely resembled those of their European counterparts fared the best and were, not surprisingly, also on the path to EU membership.

Those countries that were closer to the Soviet empire and whose historical legacy shared a great deal with Russia, such as the Ukraine and Belarus, fared worse, had less complete transitions in both economic and political realms, had larger increases in inequality, and life satisfaction levels that dropped more and recovered less.

Finally, the outlying countries in Central Asia, which were dominated by central planning at early stages in their economic development process, emerged from the transition with the dual challenges of economic and political underdevelopment and the transition to markets and democracy. Not surprisingly, their objective indicators today reflect much lower levels of progress in both economic and political domains, and their levels of life satisfaction are also lower. There are some “outlier” countries on this front, such as Uzbekistan and Belarus, where surprisingly high levels of life satisfaction may be the result of low expectations or the fear of reporting otherwise in the context of repressive regimes.

Within countries, younger people who were better equipped to adapt to new economic and political systems, such as those with more skills and particular kinds of education, and who thus had better odds of being employed, were the clear “winners” in the process. This result is reflected in their life satisfaction, their satisfaction with

political and economic regimes, and their faith in the system in general.

It is unlikely that the differences in both objective and well-being subjective indicators will be resolved any time soon because of the strong degree of dependence on the path taken that has persisted across countries and the related institutional weakness that impedes successful structural reforms in the “losing” countries. It is also not obvious that these different outcomes were “caused” by the transition. In the absence of counterfactual data, i.e., how these countries would have fared had central planning persisted, it is difficult to tell.

What the transition did was provide major opportunities for change—including economic and political freedom—for those countries (and cohorts within them) that were positioned to take advantage of the opportunities. Because some countries were much better able to do so than others, the transition widened preexisting differences among them, both in terms of economic and institutional indicators and of life satisfaction and individuals’ perceptions of their ability to take advantage of those opportunities and lead successful lives.

A major challenge for policy, both for leaders within the countries and for the international financial institutions, which extends beyond the provision of safety nets is the crafting of new mechanisms to facilitate the participation of those individuals who have fallen behind. The differences in outcomes, demonstrated as well by well-being indicators, within and across countries, will continue to pose a challenge to economic and political stability in the region, as the turbulent events in Ukraine in 2014 demonstrate. Deeper understanding of well-being trends as factors driving further splits between those in the EU and those outside it, however, must be the subject of future research and will provide important inputs into policy questions, both within and across countries.

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Supplemental Tables

Supplemental Table 15.1 Demography
SOCIAL INDICATORS: Demography
REGION: CIS (N=18)

	Country	Population (Mil)			2013–2014			% Population growth rate			% Urban			2013–2014	2010	1985	1960
		1960	1985	2010	2013–2014	2010	1985	2010	1960	1985	2010	1960	1985				
	Source	a	b	c	d	e	f	g	h	i	j	k	l				
South Central Asia	Kazakhstan (CIS)	9.7	15.4	16.3	17.3	4.4	1.2	1.4	1.5	44.2	56.0	53.7	53.3				
South Central Asia	Kyrgyzstan (CIS)	2.2	4.0	5.4	5.8	3.1	1.9	1.2	2.0	34.2	38.4	35.3	35.6				
South Central Asia	Tajikistan (CIS)	2.1	4.5	7.6	8.4	3.4	3.1	2.4	2.4	33.2	33.2	26.5	26.7				
South Central Asia	Turkmenistan (CIS)	1.6	3.2	5.0	5.3	3.4	2.5	1.3	1.3	46.4	46.0	48.4	49.7				
South Central Asia	Uzbekistan (CIS)	8.6	18.2	28.6	30.7	3.5	2.5	2.8	1.6	34.0	40.7	36.2	36.3				
East Europe	Belarus (CIS)	8.2	10.0	9.5	9.5	1.0	0.7	-0.2	0.0	32.4	61.8	74.6	76.3				
East Europe	Bulgaria (CIS)	7.9	9.0	7.4	7.2	1.0	0.0	-0.7	-0.5	37.1	64.6	72.3	73.6				
East Europe	Moldova (CIS)	2.5	3.6	3.6	3.6	2.5	1.0	-0.1	-0.1	23.4	44.2	44.9	44.9				
East Europe	Romania (CIS)	18.4	22.8	20.2	19.9	0.8	0.4	-0.6	-0.4	34.2	49.6	53.8	54.4				
East Europe	Russian Federation (CIS)	119.9	143.9	142.8	143.8	1.5	0.8	0.0	0.2	53.7	71.9	73.7	73.9				
East Europe	Ukraine (CIS)	42.7	50.9	45.9	45.4	1.3	0.3	-0.4	-0.3	46.8	64.7	68.7	69.5				
East Europe	Estonia (CIS)	1.2	1.5	1.3	1.3	0.7	0.7	-0.2	-0.3	57.5	70.8	68.1	67.6				
East Europe	Latvia (CIS)	2.1	2.6	2.1	2.0	0.7	0.7	-2.1	-1.1	52.9	68.6	67.7	67.4				
East Europe	Lithuania (CIS)	2.8	3.5	3.1	2.9	1.6	0.9	-2.1	-1.0	39.5	65.0	66.8	66.5				

(continued)

Supplemental Table 15.1 (continued)

	Population (Mil)				% Population growth rate				% Urban			
	1960	1985	2010	2013–2014	1960	1985	2010	2013–2014	1960	1985	2010	2013–2014
Country	a	b	c	d	e	f	g	h	i	j	k	l
North Europe	1.6	3.0	2.9	2.9	3.0	2.1	-0.5	-0.1	30.7	35.1	52.2	56.4
North Europe	4.1	4.7	4.4	4.2	0.6	0.4	-0.3	-0.5	30.2	52.3	57.5	58.7
North Europe	1.5	2.0	2.1	2.1	1.4	0.5	0.1	0.1	34.0	55.7	57.0	57.0
North Europe	1.6	1.9	2.0	2.1	0.9	0.5	0.4	0.1	28.2	49.6	50.0	49.7
South Central Asia (N=5)	4.8	9.1	12.6	13.5	3.6	2.2	1.8	1.8	38.4	42.9	40.0	40.3
East Europe (N=9)	22.9	27.5	26.2	26.2	1.2	0.6	-0.7	-0.4	41.9	62.4	65.6	66.0
North Europe (N=4)	2.2	2.9	2.9	2.8	1.5	0.9	-0.1	-0.1	30.8	48.2	54.2	55.4
Regional Average	13.3	16.9	17.2	17.5	1.9	1.1	0.1	0.3	38.5	53.8	56.0	56.5

Population: Total population is based on the de facto definition of population, which counts all residents regardless of legal status or citizenship—except for refugees not permanently settled in the country of asylum, who are generally considered part of the population of their country of origin. The values shown are midyear estimates
 % Population growth rate: Population growth (annual %) is the exponential rate of growth of midyear population from year t–1 to t, expressed as a percentage
 % Urban: Urban population refers to people living in urban areas as defined by national statistical offices. It is calculated using World Bank population estimates and urban ratios

from the United Nations World Urbanization Prospects

a World Bank: <http://data.worldbank.org/indicator/SP.POP.TOTL>

b World Bank: <http://data.worldbank.org/indicator/SP.POP.TOTL>

c World Bank: <http://data.worldbank.org/indicator/SP.POP.TOTL>

d World Bank: <http://data.worldbank.org/indicator/SP.POP.TOTL>

e World Bank: <http://data.worldbank.org/indicator/SP.POP.GROW>

f World Bank: <http://data.worldbank.org/indicator/SP.POP.GROW>

g World Bank: <http://data.worldbank.org/indicator/SP.POP.GROW>

h World Bank: <http://data.worldbank.org/indicator/SP.POP.GROW>

i World Bank: United Nations, World Urbanization Prospects. <http://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS>

j World Bank: United Nations, World Urbanization Prospects. <http://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS>

k World Bank: United Nations, World Urbanization Prospects. <http://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS>

l World Bank: United Nations, World Urbanization Prospects. <http://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS>

Supplemental Table 15.2 Education
SOCIAL INDICATORS: Education
REGION: CIS (N=18)

	% Secondary school enrollment				% Adult literacy				% Tertiary education			
	Country	1960	1985	2010	2013–2014	1960	1985	2010	2013–2014	1960	1985	2010
Source	a	b	c	d	e	f	g	h	i	j	k	l
South Central Asia	Kazakhstan (CIS)	103.2	102.2	100.5			99.7	99.7			38.7	55.3
South Central Asia	Kyrgyzstan (CIS)	109.0	84.0	88.2			99.2	99.2			42.1	47.6
South Central Asia	Tajikistan (CIS)		84.4	87.0			99.7	99.7			22.7	24.5
South Central Asia	Turkmenistan (CIS)			85.4			99.6	99.6			22.4	8.0
South Central Asia	Uzbekistan (CIS)	107.0	104.5	105.2			99.5	99.5			15.1	8.9
East Europe	Belarus (CIS)	98.9	107.0	105.1			99.6	99.6			43.7	92.9
East Europe	Bulgaria (CIS)	93.4	90.4	98.7			98.4	98.4			17.1	66.5
East Europe	Moldova (CIS)		88.0	88.3			99.1	99.1			33.2	41.3
East Europe	Romania (CIS)		94.9	95.0			98.6	98.6			15.4	51.6
East Europe	Russian Federation (CIS)	99.1	84.9	97.2			99.7	99.7			52.1	76.1
East Europe	Ukraine (CIS)	97.2	95.4	98.9			99.7	99.7			46.8	79.0
East Europe	Estonia (CIS)	99.1	109.1	104.7			99.9	99.9			22.0	78.0
East Europe	Latvia (CIS)	104.2	98.5	106.9			99.9	99.9			23.5	66.4
East Europe	Lithuania (CIS)	106.4	106.7	107.7			99.8	99.8			31.6	70.0
North Europe	Albania (CIS)	79.8	82.4	82.4			96.8	96.8			6.9	58.5
North Europe	Croatia (CIS)		98.4	98.4			99.1	99.1			16.9	61.6
North Europe	Macedonia, TFYR (CIS)		81.9	82.8			97.5	97.5			23.0	38.5
North Europe	Slovenia (CIS)	83.8	97.8	110.2			99.7	99.7			18.7	84.4
	South Central Asia (N=5)	106.4	96.4	93.3			99.6	99.6			24.9	28.9

(continued)

Supplemental Table 15.2 (continued)

Country	% Secondary school enrollment				% Adult literacy				% Tertiary education			
	1960	1985	2010	2013–2014	1960	1985	2010	2013–2014	1960	1985	2010	2013–2014
Source	a	b	c	d	e	f	g	h	i	j	k	l
East Europe (N=9)		99.8	97.2	100.3			99.4	99.4		31.7	67.4	69.1
North Europe (N=4)		81.8	90.1	93.5			98.3	98.3		16.4	56.2	60.8
Regional Average		98.4	94.7	96.8			99.2	99.2		26.4	56.6	56.1

% Secondary school enrollment: Gross enrollment ratio. Secondary. All programs. Total is the total enrollment in secondary education, regardless of age, expressed as a percentage of the population of official secondary education age. GER can exceed 100% due to the inclusion of over-aged and under-aged students because of early or late school entrance and grade repetition

% Adult literacy: Adult (15+) literacy rate (%). Total is the percentage of the population age 15 and above who can, with understanding, read and write a short, simple statement on their everyday life. Generally, 'literacy' also encompasses 'numeracy', the ability to make simple arithmetic calculations. This indicator is calculated by dividing the number of literates aged 15 years and over by the corresponding age group population and multiplying the result by 100

% Tertiary education: Gross enrollment ratio. Tertiary (ISCED 5 and 6). Total is the total enrollment in tertiary education (ISCED 5 and 6), regardless of age, expressed as a percentage of the total population of the five-year age group following on from secondary school leaving

- a World Bank: UNESCO Institute for Statistics. <http://data.worldbank.org/indicator/SE.SEC.ENRR>; UNESCO Institute for Statistics. <http://data.uis.unesco.org/>
- b World Bank: UNESCO Institute for Statistics. <http://data.worldbank.org/indicator/SE.SEC.ENRR>; UNESCO Institute for Statistics. <http://data.uis.unesco.org/>
- c World Bank: UNESCO Institute for Statistics. <http://data.worldbank.org/indicator/SE.SEC.ENRR>; UNESCO Institute for Statistics. <http://data.uis.unesco.org/>
- d World Bank: UNESCO Institute for Statistics. <http://data.worldbank.org/indicator/SE.SEC.ENRR>; UNESCO Institute for Statistics. <http://data.uis.unesco.org/>
- e World Bank: UNESCO Institute for Statistics. <http://data.worldbank.org/indicator/SE.SEC.ENRR>; UNESCO Institute for Statistics. <http://data.uis.unesco.org/>
- f UNESCO Institute for Statistics. <http://data.uis.unesco.org/>
- g World Bank: UNESCO Institute for Statistics. <http://data.worldbank.org/indicator/SE.ADT.LJTR.ZS>; UNESCO Institute for Statistics. <http://data.uis.unesco.org/>
- h World Bank: UNESCO Institute for Statistics. <http://data.worldbank.org/indicator/SE.ADT.LJTR.ZS>; UNESCO Institute for Statistics. <http://data.uis.unesco.org/>
- i World Bank: UNESCO Institute for Statistics. <http://data.worldbank.org/indicator/SE.SEC.ENRR>; UNESCO Institute for Statistics. <http://data.uis.unesco.org/>
- j World Bank: UNESCO Institute for Statistics. <http://data.worldbank.org/indicator/SE.TER.ENRR>; UNESCO Institute for Statistics. <http://data.uis.unesco.org/>
- k World Bank: UNESCO Institute for Statistics. <http://data.worldbank.org/indicator/SE.TER.ENRR>; UNESCO Institute for Statistics. <http://data.uis.unesco.org/>
- l World Bank: UNESCO Institute for Statistics. <http://data.worldbank.org/indicator/SE.TER.ENRR>; UNESCO Institute for Statistics. <http://data.uis.unesco.org/>

**Supplemental Table 15.3 Health
SOCIAL INDICATORS: Health
REGION: CIS (N=18)**

	Avg. years life expectancy			Infant <1/k live born			Child mortality <5/IK			Maternal mortality rate			TB incidence per 100k							
	1960	1985	2010	1960	1985	2010	1960	1985	2010	1960	1985	2010	1960	1985	2010					
Country	a	b	c	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	
Source				d																
South Central Asia	58.4	68.5	68.3	70.5	49.6	19.3	14.6		59.1	21.6	16.3			40.0	26.0		80.7	223.0	139.0	
Kazakhstan (CIS)																				
South Central Asia	56.1	64.9	69.3	70.2	64.2	26.7	21.6		78.9	30.3	24.2			79.0	75.0		52.5	210.0	141.0	
Kyrgyzstan (CIS)																				
South Central Asia	56.2	63.3	67.0	67.4	94.2	44.7	40.9		121.6	52.7	47.7			48.0	44.0		54.7	196.0	100.0	
Tajikistan (CIS)																				
South Central Asia	54.5	62.3	65.0	65.5	81.7	51.0	46.6		103.6	61.0	55.2			65.0	61.0		49.8	175.0	72.0	
Turkmenistan (CIS)																				
South Central Asia	58.9	66.8	67.9	68.2	68.8	40.2	36.7		85.2	46.8	42.5			40.0	36.0		47.8	118.0	80.0	
Uzbekistan (CIS)																				
South Central Asia	67.7	71.0	70.4	72.5	16.0	4.7	3.7		19.4	6.1	4.9			2.0	1.0		48.9	71.0	70.0	
East Europe																				
Belarus (CIS)																				
East Europe	69.2	71.2	73.5	74.5	19.7	11.3	10.1	46.4	23.5	13.0	11.6	43.6	12.6	8.0	5.0		28.5	54.0	29.0	
Bulgaria (CIS)																				
East Europe	61.8	66.1	68.5	68.8	31.7	14.9	13.3		39.0	17.4	15.4			41.0	21.0		76.5	176.0	159.0	
Moldova (CIS)																				
East Europe	65.6	69.7	73.5	74.5	31.8	12.1	10.5	76.7	38.9	13.9	12.0	84.8	137.1	30.0	33.0		55.7	147.0	87.0	
Romania (CIS)																				
East Europe	66.1	67.9	68.9	71.1	25.0	10.2	8.6		29.9	11.8	10.1			31.0	24.0		44.9	136.0	89.0	
Russian Federation (CIS)																				
East Europe	68.3	69.6	70.3	71.2	19.4	10.1	8.6		22.8	11.8	10.0			29.0	23.0		47.2	127.0	96.0	
Ukraine (CIS)																				
East Europe																				

(continued)

Supplemental Table 15.3 (continued)

	Avg. years life expectancy				Infant <1/1k live born				Child mortality <5/1K				Maternal mortality rate				TB incidence per 100k			
	1960	1985	2010	2013-14	1960	1985	2010	2013-14	1960	1985	2010	2013-14	1960	1985	2010	2013-14	1960	1985	2010	2013-14
Country	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t
Source																				
East Europe	67.9	69.4	75.4	76.4		19.0	3.6	2.7		23.1	4.5	3.4			6.0	11.0		35.4	42.0	22.0
East Europe	69.8	69.3	73.5	74.0		16.8	8.2	7.4		21.0	9.4	8.4			29.0	13.0		47.4	75.0	50.0
East Europe	69.8	70.5	73.3	74.2		15.4	5.5	4.0		19.1	6.7	4.9			9.0	11.0		41.0	86.0	65.0
North Europe	62.3	71.5	77.0	77.5		45.7	14.8	13.3		53.9	16.5	14.9			21.0	21.0		30.9	20.0	18.0
North Europe	64.6	70.9	76.5	77.1		15.8	4.5	3.8		18.1	5.3	4.5			15.0	13.0		76.7	29.0	13.0
North Europe	60.6	69.8	74.7	75.2		45.0	8.7	5.8		49.5	9.9	6.6			7.0	7.0			33.0	17.0
North Europe	69.0	71.4	79.4	80.3		12.3	2.6	2.3		14.4	3.3	2.9			8.0	7.0		47.5	14.0	7.5
South Central Asia (N=5)	56.8	65.2	67.5	68.3		71.7	36.4	32.1		89.7	42.5	37.2			54.4	48.4		57.1	184.4	106.4
East Europe (N=9)	67.4	69.4	71.9	73.0	40.6	21.6	9.0	7.7	61.6	26.3	10.5	9.0	64.2	74.9	20.6	15.8		47.3	101.6	74.1
North Europe (N=4)	64.1	70.9	76.9	77.5		29.7	7.7	6.3		34.0	8.8	7.2			12.8	12.0		51.7	24.0	13.9
Regional Average	63.7	68.6	71.8	72.7	40.6	37.3	16.3	14.1	61.6	45.6	19.0	16.4	64.2	46.7	28.2	24.0		50.9	107.3	69.7

Avg. years life expectancy: Life expectancy at birth indicates the number of years a newborn infant would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life

Infant <1/1k live born: Infant mortality rate is the number of infants dying before reaching one year of age, per 1000 live births in a given year

Child mortality <5/1K: Under-five mortality rate is the probability per 1000 that a newborn baby will die before reaching age five, if subject to age-specific mortality rates of the specified year

Maternal mortality rate: Maternal mortality ratio is the number of women who die from pregnancy-related causes while pregnant or within 42 days of pregnancy termination per 100,000 live births. The data are estimated with a regression model using information on the proportion of maternal deaths among non-AIDS deaths in women ages 15–49, fertility, birth attendants, and GDP

TB incidence per 100k: Incidence of tuberculosis is the estimated number of new pulmonary, smear positive, and extra-pulmonary tuberculosis cases. Incidence includes patients with HIV

a World Bank: <http://data.worldbank.org/indicator/SP.DYN.LE00.IN>

b World Bank: <http://data.worldbank.org/indicator/SP.DYN.LE00.IN>

c World Bank: <http://data.worldbank.org/indicator/SP.DYN.LE00.IN>

d World Bank: <http://data.worldbank.org/indicator/SP.DYN.LE00.IN>

e World Bank: <http://data.worldbank.org/indicator/SP.DYN.IMRT.IN>

f World Bank: <http://data.worldbank.org/indicator/SP.DYN.IMRT.IN>

g World Bank: <http://data.worldbank.org/indicator/SP.DYN.IMRT.IN>

h World Bank: <http://data.worldbank.org/indicator/SH.DYN.MORT>

i World Bank: <http://data.worldbank.org/indicator/SH.DYN.MORT>

j World Bank: <http://data.worldbank.org/indicator/SH.DYN.MORT>

k World Bank: <http://data.worldbank.org/indicator/SH.DYN.MORT>

l World Bank: <http://data.worldbank.org/indicator/SH.DYN.MORT>

m World Bank: <http://data.worldbank.org/indicator/SH.DYN.MORT>

n World Bank: <http://data.worldbank.org/indicator/SH.DYN.MORT>

o World Bank: <http://data.worldbank.org/indicator/SH.STA.MMRT>

p World Bank: <http://data.worldbank.org/indicator/SH.STA.MMRT>

q <http://www.who.int/tb/country/data/download/en/>

r <http://www.who.int/tb/country/data/download/en/>

s World Bank: <http://data.worldbank.org/indicator/SH.TBS.INCD>

t World Bank: <http://data.worldbank.org/indicator/SH.TBS.INCD>

Supplemental Table 15.4 Income
SOCIAL INDICATORS: Income
REGION: CIS (N=18)

	GDP (Billions of constant 2005 USD)				PCGDP (constant 2005 USD)				% Growth in GDP				GINI or other measure of wealth disparity			
	Country	1960	1985	2010	2013–2014	1960	1985	2010	2013–2014	1960	1985	2010	2013–2014	1960	1985	2010
Source	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
South Central Asia	Kazakhstan (CIS)		77.2	96.4			4732.7	5575.5			7.3	4.3		25.7	28.6	28.6
South Central Asia	Kyrgyzstan (CIS)	2.4	3.1	3.7		593.8	561.0	637.3		3.3	-0.5	3.6		26.0	35.4	33.4
South Central Asia	Tajikistan (CIS)	3.5	3.2	4.2		774.4	417.1	500.6		3.5	6.5	6.7			30.8	30.8
South Central Asia	Turkmenistan (CIS)	5.6	13.3	20.6		1646.7	2632.4	3873.8		11.0	9.2	10.3		26.4		26.4
South Central Asia	Uzbekistan (CIS)	9.8	21.6	29.5		512.8	755.3	960.0		9.1	8.5	8.1		25.0		25.0
East Europe	Belarus (CIS)		42.9	47.3			4524.2	4998.3			7.7	1.6		22.8	27.7	26.5
East Europe	Bulgaria (CIS)	23.1	33.7	35.5		2581.1	4559.7	4915.8		2.7	0.7	1.7			35.8	34.3
East Europe	Moldova (CIS)	5.2	3.5	4.2		1466.9	983.2	1190.7		-5.3	7.1	4.6		24.1	32.1	30.6
East Europe	Romania (CIS)	97.1	114.1	123.4		4264.9	5634.9	6195.8		-0.1	-0.9	1.8			28.2	27.3
East Europe	Russian Federation (CIS)		909.3	999.8		6365.2	6843.9	6843.9			4.5	0.6		23.8	39.7	39.7
East Europe	Ukraine (CIS)	137.3	90.6	89.0		2677.5	1974.6	2081.0		2.6	4.2	-6.8		23.3	24.8	24.8

East Europe	Estonia (CIS)		13.8	16.2																23.0	32.2	32.7
East Europe	Latvia (CIS)		16.9	19.9																22.5	35.3	36.0
East Europe	Lithuania (CIS)		27.7	32.4																22.5	33.8	32.6
North Europe	Albania (CIS)	5.5	10.7	11.6		1847.5						1.8									30.0	29.0
North Europe	Croatia (CIS)		46.5	44.7																22.8	33.6	33.6
North Europe	Macedonia, TFYR (CIS)		7.6	8.3																	44.2	44.2
North Europe	Slovenia (CIS)		39.6	39.4																23.6	24.9	24.9
	South Central Asia (N=5)	5.3	23.7	30.9		881.9						6.7								25.8	31.6	28.8
	East Europe (N=9)	65.7	139.2	152.0		2747.6														23.1	32.2	31.6
	North Europe (N=4)	5.5	26.1	26.0		1847.5						1.8								23.2	33.2	32.9
	Regional Average	32.2	82.0	90.3		1818.4						3.2								24.0	32.3	31.1

GDP (constant 2005 USD): GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in constant 2005 U.S. dollars. Dollar figures for GDP are converted from domestic currencies using 2005 official exchange rates. For a few countries where the official exchange rate does not reflect the rate effectively applied to actual foreign exchange transactions, an alternative conversion factor is used

PCGDP (constant 2005 USD): GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. Data are in constant 2005 U.S. dollars

% Growth in GDP: Annual percentage growth rate of GDP at market prices based on constant local currency. Aggregates are based on constant 2005 U.S. dollars. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources

Supplemental Table 15.4 (continued)

GINI or other measure of wealth disparity: Gini index measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution. A Lorenz curve plots the cumulative percentages of total income received against the cumulative number of recipients, starting with the poorest individual or household. The Gini index measures the area between the Lorenz curve and a hypothetical line of absolute equality, expressed as a percentage of the maximum area under the line. Thus a Gini index of 0 represents perfect equality, while an index of 100 implies perfect inequality

- a World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD>
- b World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD>
- c World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD>
- d World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD>
- e World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.PCAP.KD>
- f World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.PCAP.KD>
- g World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.PCAP.KD>
- h World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.PCAP.KD>
- i World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>
- j World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>
- k World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>
- l World Bank national accounts data, and OECD National Accounts data files. <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG>
- m World Bank, Development Research Group; US Census Historical Income Tables: Income Inequality <http://data.worldbank.org/indicator/SI.POV.GINI>
- n World Bank, Development Research Group; US Census Historical Income Tables: Income Inequality <http://data.worldbank.org/indicator/SI.POV.GINI>
- o World Bank, Development Research Group; US Census Historical Income Tables: Income Inequality <http://data.worldbank.org/indicator/SI.POV.GINI>
- p World Bank, Development Research Group; US Census Historical Income Tables: Income Inequality <http://data.worldbank.org/indicator/SI.POV.GINI>

Supplemental Table 15.5 Subjective Well-Being
SOCIAL INDICATORS: Subjective Well-Being
REGION: CIS (N=18)

	Country	World Values Survey (WVS), 1981–2014					
		WVS 1 1981–1984	WVS 2 1990–2004	WVS 3 1995–1998	WVS 4 1999–2004	WVS 5 2005–2009	WVS 6 2010–2014
		a	b	c	d	e	f
South Central Asia	Kazakhstan (CIS)						7.2
South Central Asia	Kyrgyzstan (CIS)				6.5		7.0
South Central Asia	Tajikistan (CIS)						
South Central Asia	Turkmenistan (CIS)						
South Central Asia	Uzbekistan (CIS)						7.9
East Europe	Belarus (CIS)		5.5	4.4			5.8
East Europe	Bulgaria (CIS)			4.7		5.2	
East Europe	Moldova (CIS)			3.7	4.6	5.5	
East Europe	Romania (CIS)			4.9		5.8	6.7
East Europe	Russian Federation (CIS)		5.4	4.5		6.1	6.2
East Europe	Ukraine (CIS)			4.0		5.7	5.9
East Europe	Estonia (CIS)			5.0			6.3
East Europe	Latvia (CIS)			4.9			
East Europe	Lithuania (CIS)			5.0			
North Europe	Albania (CIS)						
North Europe	Croatia (CIS)			6.2			
North Europe	Macedonia, TFYR (CIS)			5.7	5.1		
North Europe	Slovenia (CIS)			6.5		7.2	7.4
	South Central Asia (N=5)	NA	NA	NA	6.5	NA	7.4
	East Europe (N=9)	NA	5.4	4.5	4.6	5.6	6.2
	North Europe (N=4)	NA	NA	6.1	5.1	7.2	7.4
	Regional Average	NA	5.4	4.9	5.4	5.9	6.7

Mean life satisfaction: Averaged value of responses to the following survey question: All things considered, how satisfied are you with your life as a whole these days? Using this card on which 1 means you are “completely dissatisfied” and 10 means you are “completely satisfied” where would you put your satisfaction with your life as a whole?
a WVS 1 1981–1984. V65.- All things considered, how satisfied are you with your life as a whole these days?
b WVS 2 1990–2004. V96.- All things considered, how satisfied are you with your life as a whole these days?
c WVS 3 1995–1998. V65.- All things considered, how satisfied are you with your life as a whole these days?
d WVS 4 1999–2004. V81.- All things considered, how satisfied are you with your life as a whole these days?
e WVS 5 2005–2009. V22.- All things considered, how satisfied are you with your life as a whole these days?
f WVS 6 2010–2014. V23.- All things considered, how satisfied are you with your life as a whole these days?

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