

Institutional Determinants of Economic Growth in Georgia and in Other Post-Communist Economies

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Abstract : The institutional development is one of the actual topics in economics science. New trends and directions of institutional development mostly depend on its structure and framework. Transformation of institutions is an important problem for every economy, especially for developing countries. The first research goal is to determine the importance and interactions between different institutions in Georgia. Using World Governance Indicators and Economic Freedom indexes it can be calculated the size for each institutional group. The second aim of this research is to evaluate Georgian institutional backwardness in comparison to other post-communist economies. We use statistical and econometric methods to evaluate the difference between the levels of institutional development in Georgia and in leading post-communist economies. Within the scope of this research, major findings are coefficients which are an assessment of their deviation (i.e. lag) of institutional indicators between Georgia and leading post-communist country which should be compared. The last part of the article includes analysis around the selected coefficients.

Keywords : post-communist transition, institutions, economic growth, institutional development

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