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ELEVEN POST-SOCIALIST STATES THIRTY YEARS BEYOND: SOCIETY AND SECURITY

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Abstract

More than three decades after the collapse of socialism in Europe, relatively enough time has passed for analysis the effects of the transition of socialist states. The post-socialist states that are analyzed and compared are members of the European Union. The process of joining has imposed the acceptance of *the acquis* whose contractual provisions significantly limited the freedom to create one's own political economy. The article analyzes the effects of institutional changes on society and Man in eleven states: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. The effects of institutional changes are analyzed through three dimensions: safety and security, social capital and living conditions. Results of institutional changes are valuated according to realize their position on the scale of prosperity for the period from 2007 to 2023. Given that the issue of prosperity is primarily focused towards Man and society, the key indicator for assessing the outcome of the transition is the number of inhabitants each state thirty years beyond. The finding shows that only three states increased their number of inhabitants in the observed period. The finding points to large differences in social outcomes within the same political paradigm. Institutions make a difference.

Key words: *Man, society, prosperity, institution, state.*

Introduction

More than three decades after the collapse of socialism in Europe, relatively enough time has passed to analyse the effects of the transition of socialist countries from one-party systems and planned economies to democracy and market economy. From an economic point of view, we can say that transition countries have experienced some economic growth, markets have become more or less functional, while institutionally they have converged towards some form of capitalism.
The excitement of the establishment of democracy and the market economy as the final solution to all problems of the socialist state and society, completely ignored the important role that the state plays in the processes of creating a prosperous society [1].

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The process of transition required political elites to understand global relations and the process in which democracy, globalization and the nation-state, with their imperatives, are very often on opposing sides. It was a question of choice – *a trilemma* – between globalization, democracy and the nation-state, which would ultimately completely determine the identity of the nation, the possibilities and the role of the nation-state, that is, has direct economic development and influence social values within the transition countries [2].

Three decades after the upheaval, citizens are still "waiting" for unfulfilled promises, they believe less and less in the ideology of the market, at the same time, they are more and more convinced that they are almost completely neglected and bypassed in deciding their own destiny. The transition of socialist countries into liberal democracies and private capitalism, in public discourse, had an almost religious meaning of liberation the "chains" and finally "going to the promised land"(3) – on a path that has not yet been completed [1].

In this paper, the prosperity of post-socialist (PS) countries is considered through the analysis of two pillars of prosperity in the domain of *inclusive societies*: safety and security and social capital. Inclusive society is one of the three domains (open economies and empowered people) according to which the prosperity of a particular country is evaluated. The issues and activity on field of the safety and security and development of social capital were and remain within the competence of the state, regardless of the political and economic system, so it is estimated that these two pillars of an inclusive society had a decisive impact on social cohesion and prosperity. On the contrary, society with great social stratification, a decrease in the level of safety and security, had a strong impact on the decline of social capital (depopulation), which consequently led to a reduction in democratic values and the quality of governance – to slowing down or stagnation. The focus on the market society instead of the people, the significant reduction of the welfare state, resulted in a decline in the quality of public services, the quality of life and *forced the* population to look for a better life outside the borders of their homeland [4, 5].

The post-socialist countries that are analysed and compared are members of the European Union. The article analysed and compared the effects of institutional changes in two pillars in the domain of inclusive society in eleven PS countries: Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. The results of institutional changes are evaluated according to the achieved position on the prosperity scale for the period from 2007 to 2023 (6). Given that the issue of prosperity is primarily focused on people and society (7), the key indicator for assessing the outcome of *the transition* – the institutions applied – is the change in the population of each country thirty years later.

Methodology and explanation of terms

In the analysis of the global scale of prosperity, data from the *Dataset Legatum Prosperity Index* 2023, from 2007 to 2023 (8), are used. The analysis covers the top ten countries on the global prosperity scale for 2007, 2012, 2017, and 2023. For the top ten

countries on the scale of prosperity, data on population trends from 1990 to 2022 are also presented.
Eleven PS countries are compared according to their position on the global prosperity scale and according to their position on the prosperity scale in two pillars (safety and security and social capital) for the period 2007 to 2023. Changes in the prosperity scale are analysed and evaluated in relation to the indicators of prosperity in two pillars and the number of inhabitants of each country 2023.
The term *prosperity* denotes a society in which all people have the opportunity and freedom to progress. In terms of the advancement of a nation, prosperity is far more than material: in this case, the analysis points to the understanding and importance of the role of social institutions, whose task is (should be) to reflect the social values and customs, which the people of each individual country valued [9].
The conceptual framework *Legatum Prosperity Index* encompasses prosperity through three domains (twelve pillars): the inclusive societies, open economies, and the empowered people. The inclusive societies domain encompasses the structures of relationships that exist within society: safety and security, personal freedom, governance and social capital. Safety and security (SS) include indicators of the level of safety against external threats and terrorism, as well as internal security and protection against violence and crime, and the level of protection against political threats and violence related to personal freedoms. Social capital (SC) includes indicators of the characteristics of society: trust at the basic and national level, social networks, tolerance and civic and social participation [10]. The changes of the values in both pillars and the connection with the corresponding indicators within inclusive societies domain form the framework for drawing conclusions. From the database of population of the World Bank, population trends in PS countries [11] are compared.

Global prosperity index

Experience, also through European integration, teaches us again that every area, every period and every country is different. These irrefutable facts point to the need to consider all the possibilities of democratic processes, but also all possible variants of institutional solutions, which should be encompass the social values of the country in which the proposed institutions are applied [5].
The Global Prosperity Index scale [6] indicates the truth of the statement about different solutions in different periods, what steered to different success of maintaining the already achieved level of prosperity of the top ten countries (Table 1).
Table 1 provides an overview of the top ten countries on the prosperity scale for the period from 2007 to 2023. Over a period of seventeen measured years, in 2013, two of the top ten countries changed their place in the prosperity scale – Iceland fell to 13th, Germany was 14th. There are nine countries from Europe in the top ten places in 2023: six are members of the European Union; five are constitutional monarchies (Denmark, Sweden, Norway, the Netherlands, Luxembourg and New Zealand). Four monarchies and one republic belong to the Scandinavian area, and the other two countries are republics: two are not members of the European Union (Switzerland and Iceland).

It is necessary to emphasize, the countries of Northern Europe are culturally very different from other European countries, and significantly more so than the PS countries. Commitment to one's own values, although they also differ from each other, has resulted in one extremely important common feature: the "application of domestic solutions" designed by people who have a good understanding of the needs and problems of the society in which they live [5]. According to the presented prosperity indicators (Table 1), in the past period, the top ten countries on the scale of prosperity in almost the entire period of measurement were *old* European democracies. Population trends data [11] indicate social stability and trust, key values of an inclusive society, which steered to maintaining the achieved level of prosperity and enabled the increase in the number of inhabitants (Table 5). From these indicators, it is possible to conclude that some countries have implemented changes in certain areas of prosperity cautiously, gradually and with a clear goal of protecting and preserving the country's value system.

Table 1: The first ten countries in prosperity scale

2023	Country	2017	2013	2007
1	Denmark	2	6	1
2	Sweden	4	4	2
3	Norway	3	1	3
4	Finland	5	8	4
5	Switzerland	1	2	5
6	Netherlands	6	9	6
7	Luxembourg	8	10	9
8	Iceland	10	13	7
9	Germany	9	14	10
10	New Zealand	7	5	8

Source: Dataset Legatum Prosperity Index 2023.

Prosperity index analyse eleven PS countries in domain inclusive societies by two pillars

Soon after the establishment of new democracies and the so much-awaited independence, the possibility of choosing one's own model of development existed only in theory. Globalization and its institutions clearly directed social and economic processes, processes that rejected limited territory, traditions and identity, towards the establishment of a global market and full liberalization [5]. In this sense, democracy in the PS countries soon became only the possibility of a political choice between the offered political options every four years, without great expectations that the election of the "new or old" political elite would change anything compared to the initial settings [12].
According to the achieved position on the scale of prosperity and the trends of the population of the eleven PS countries analysed in this paper, the data point to the conclusion that not all PS countries have accepted or implemented the imposed and supported reforms in the same way [13]. The achieved prosperity results vary considerably. Despite clear evidence of flawed "shock therapy" development policies

[5], little or nothing has changed in the PS countries. Institutional changes in the observed period were more focused on preserving the established relationships of the 1990s, carried by global ideas of free markets, regardless of the requirements of the overall state of the nation [14]. Despite European integration, one gets the impression that the "old" democracies of Europe have treated the PS countries as "disobedient children", who need to be reminded of where they are from time to time and shown where they belong [15]. One of the most obvious consequences of the transformation of society and an extremely important indicator of policy evaluation for the PS countries is the decline in the number of inhabitants (Table 5). Most of them are recording depopulation and emigration of the population, mostly educated people of younger age, who have lost trust in institutions, and prospect. The loss of younger people makes the recovery of society slow and almost impossible. However, in the political field, the debate about the consequences of the "incomplete transition" has often been used as the cause of demographic collapse – a favourite topic politically very suitable for the continuation of privatization and the reduction of the scope and quality of public services [5]. The third area and cause *of failure* was the dependent economy: globalization and its institutions became key factors in the process of abolishing the social state and weakening the capacity of the nation [2].

The analysis of the indicators of the two pillars of prosperity in the domain of inclusive society in eleven PS countries seeks to confirm the general position on the state of society, which ultimately reflects the growth or decline number of inhabitants. Inclusive society is the foundation of prosperity growth, indicators show. Inclusion, at least as far as relations between people are concerned, was a great value of the socialistic system which have required structures within society that would encourage and expand cooperation and solidarity [16].

Therefore, two pillars of prosperity in the domain of an inclusive society were taken for the analysis, which, we believe can best show the current policies and assess the future development of the PS countries. The origin of the adopted institutions proved to be a key factor in the process of transformation of the society and privatization. Leaving the solution of problems to the market implied a reduction of the state, which put the societies in a much worse situation [17]. Market fundamentalism is far from the idea of creating a society tailored to man – it creates a market society [18].

Table 2 shows the trends in the prosperity scale of eleven PS countries from 2007 to 2023. Six of the eleven countries made progress on the prosperity scale; four have regressed, while Croatia has remained almost "frozen" in the position it achieved in 2007. The data in the table indicate ups and downs on the scale of prosperity, which indicates possible frequent changes in the direction of public policies (unpredictability), but also a strong vulnerability to global crises. For most countries, it can be said that the focus and policies have varied greatly in the last ten years, i.e. that changes in political authorities, dependence on the path and integration processes have strongly influenced the achieved prosperity. Estonia is the best-ranked PS country by prosperity achieved, in 21st place with a total shift of almost four points in ten years (73.4 – 2013; 77.3 – 2023). In the last decade, Estonia has improved its performance in all three domains of prosperity measurement. However, it has done far more in the domain inclusive societies: on strengthening safety and security (+4.7) and social capital (+8.9 points) (Table 3, 4). The last by prosperity among the eleven PS countries was Bulgaria. Bulgaria moved from 51st place in 2007 to 48th place in 2023. Bulgaria's prosperity profile shows modest point progress (+2.7) from an already low prosperity base (62.7 points in 2013). Bulgaria is lagging behind Estonia by a big 12 points by prosperity evaluation in 2023, or several decades behind. In addition, the choice of public policy areas in Estonia for the period 2013-2023 seems interesting: the inclusiveness of society has grown faster than the domain open economies [6]. Bulgaria and Estonia have been very different in terms of investment policies in an inclusive society in the last decade, and they are exactly the same in the open economies domain. In Bulgaria, *neglecting* the role of society at the expense of the openness of the economy produced a decrease in safety and security (-0.1). Although living conditions and social capital have improved significantly, *the extraordinary* result of the improvement in social capital in the field of personal and family relationships, (Table 4) is reduced by the data on the loss of almost one million inhabitants in the period 2013-2023 (Table 6). The answer to the imbalance within the domain of inclusive society in Bulgaria can be found in the fact of regression in the field of safety and security (political violence and crime), which has produced a decrease in personal freedom and institutional trust. The results achieved by the key components of social capital in Bulgaria after three decades *of transition* were at a very low level: interpersonal trust at 42 percent, civic and social participation at 35 percent, and social tolerance at a low 50 percent for 2023. In the pillar of social capital, only relationships at the basic social level (families) were much better (78 points), which clearly speaks of the "reduction" of society and the weakening of the possibilities of collective reactions. We can assume that the established positions and institutes at the beginning of the transformation of society and the economy have become more rigid over time, but crucial for the achievement of *internal cohesion* (in defence of acquired positions and privileges) of society, now towards completely visible new social values and their bearers [19].

The difference between the prosperity results of Estonia and Bulgaria in 2013 was 10.7 points, and ten years later Estonia further moved away from Bulgaria to 11.7 points. An analysis of the three domains of prosperity of the PS countries – the best Estonia and the worst Bulgaria – clearly indicate that insisting on a strong opening did not necessarily bring the expected benefits and did not contribute to strengthening the nation's capacities [20].

The achieved results of measuring prosperity towards *safety and security* (Table 3) include the degree to which individuals and communities are free/protected from the possibility/threat of external and civil conflicts, terrorism, politically related terror and violence, crime of all kinds. All PS countries in the new political and economic conditions faced a sharp increase in crime and corruption, phenomena that were much less pronounced and firmly sanctioned in socialist societies [21]. Given the requirements of globalization and liberalization, the PS countries were mostly insufficiently prepared for the volume and intensity of these phenomena that are very harmful to development. The success with which the PS countries sought to achieve safety and security in their own territory and what they did is the subject of the following analysis.

Table 2: Position of eleven PS countries in prosperity scale

2023	Country	2017	2013	2007
21	Estonia	23	36	28
25	Czech	28	29	30
27	Slovenia	27	24	24
31	Latvia	33	48	35
32	Lithuania	34	43	38
35	Slovakia	38	38	34
37	Poland	32	34	39
41	Croatia	41	53	41
42	Hungary	46	41	37
45	Romania	47	55	49
48	Bulgaria	49	49	51

Source: Dataset Legatum Prosperity Index 2023.

The best ranked of the eleven PS countries according to the level of safety and security for 2023 was the Czech Republic in 13th place, and the worst, 58th place was taken by Bulgaria (Table 3). From 50th place in 2007, the Czech Republic made great efforts to improve the safety and security in the field of violence and crime, and completely nullified the possibility of political threats – at the top of the global scale. It was a move up for 37 places, unlike Bulgaria, which was in 70th place in 2007 and 58th in 2023. In the last decade, the Czech Republic has moved up 13 places by safety and security, while Bulgaria has stagnated in points and dropped five places. In both countries, the implemented safety and security policies produced a reduction in personal freedoms: the Czech Republic by four places and Bulgaria by six places lower.

Table 3: Eleven PS countries in prosperity scale by safety and security

2023	Country	2017	2013	2007
13	Czech	26	23	50
14	Slovenia	20	20	21
22	Slovakia	29	31	30
25	Lithuania	30	40	43
26	Poland	23	25	40
28	Estonia	34	34	40
31	Latvia	39	49	66
33	Croatia	28	51	41
35	Hungary	32	24	47
36	Romania	47	58	68
58	Bulgaria	40	53	70

Source: Dataset Legatum Prosperity Index 2023.

If we look at the achieved points as indicators of the level of personal freedom in the Czech Republic (82.5) and Bulgaria (68.3), it is clear at what level of personal freedom they are in Bulgaria and what the reduction of 3.4 points means. If we compare the state of personal freedoms in Bulgaria in 2023 with the situation in Denmark (94.1

points), the difference was 25.8 points: we can conclude in which dimensions of prosperity Bulgaria is "losing" society, and thus the possibility of development and growth of prosperity [22].
Social capital encompasses personal and family relationships, social networks and the cohesion that society experiences when there are strong institutional trust and people respect and cooperate with each other (civic and social participation) (6). Social capital enables the achievement of personal and common goals, the creation of a good society, a society in which formal and informal rules are preserved and enforced by social organizations and the state. A society based on a higher degree of trust and accountability (inclusive societies domain in Denmark was at 89,7 points in 2023) generally correlates with higher satisfaction of citizens: trust, along with other social values, is made up of a real and subjective sense of well-being, which consequently affects civic activism, political participation and prosperity [23].
The best of the eleven PS countries in measuring social capital for 2023 was Poland, taking 27th place (63.3 points), and the worst Lithuania was at 129th place (47.3 points) out of 167 countries measured. Poland has made relatively exceptional and visible progress in the past period by jumping up 76 places in the ranking of social capital. Relatively because the best result in social capital (82.6 points) was achieved by Denmark. Other indicators of social capital point to key causes of the decline in Poland's prosperity: interpersonal trust was at 46.2, civic and social participation at 51.1 percent, while trust in institutions was at a modest 39.5 percent of possibilities. The results achieved in strengthening the basic institution of society (the family relationships) could indicate a strong influence of tradition in Poland, i.e. on the direction of public policies [24]. This was not enough to strengthen the nation's capacity, nor did it significantly change the economic conditions. We can conclude that the incoherence of public policies in Poland in the last decade of measurement has influenced the decline in the level of prosperity (Table 4) [25].
For Lithuania, we can say that in the last decade of measurement, it has had coherent policies and significantly improved its performance in all three domains: inclusive societies by eight places, openness of the economy by seven and empowered people domain by six places. However, the improvement in the social capital pillar by 30 places to a level of only 47.3 points is still the key cause of the weaker growth in the country's prosperity. Low social capital is associated with the loss of a quarter of the population. For public policy makers this will be the most significant long run problem of improving prosperity. The achieved results of social capital in five of the eleven PS countries are worrying: Latvia at 79th, Bulgaria at 81st, Croatia at 103rd, Romania at 116th and Lithuania at 129th place in the scale (Table 4). The size of the gap in social capital is best illustrated by the number of points of social capital – Denmark with 82.6 points, compared to the worst of the PS countries – Lithuania – 47.3 points [6].

Table 4: Eleven PS countries in prosperity scale by social capital

2023	Country	2017	2013	2007
27	Poland	125	103	96
30	Slovenia	46	24	32
34	Estonia	83	67	112
36	Czech	102	93	83
39	Slovakia	117	112	118
47	Hungary	133	78	75
79	Latvia	129	91	87
81	Bulgaria	124	123	129
103	Croatia	150	151	106
116	Romania	130	147	121
129	Lithuania	160	159	164

Source: Dataset Legatum Prosperity Index 2023.

Table 5 shows a large outflow of population in eight of the eleven PS countries; from three to even 25 percent of the population. Only three countries have increased their population in the last three decades (the Czech Republic, Slovenia and Slovakia). The biggest losers of the last decade were Romania with 1.3 million, Poland with 1.2 million and Bulgaria with 0.9 million inhabitants less. Hungary and Croatia were also continuously losing their inhabitants [26]. According to social capital indicators, in the long term, the deficiency of people will be the biggest obstacle to achieving a higher level of prosperity for most PA countries [27]. The smallest countries affected the most by the loss of people, which are already the most vulnerable to the lack of human resources due to their overall capacities. The finding points to a change in the direction of public policies, to the inclusive societies and empowered people domain. Estonia, the Czech Republic and Slovenia have obviously estimated that they cannot compensate their need for a population with immigration, so they have turned to creating favourable living conditions for their citizens, which could result in an increase of natality, and perhaps even return some of their citizens from abroad. From the presented data, it can be concluded that in all successful cases, domestic solutions were used, suggestions of experts who live in the country and understand the problems and needs of the people in it [5].

A favourable business climate can be achieved in various ways in societies where there is a strong state and stable social relations. Inequality and poverty, social stratification by applying solutions to the ideology of market fundamentalism [5], the same for each country, became fertile ground for the proliferation of all kinds of violence, disorder, crime and corruption, injustice and inequality, which further weakened the already weak capacities of the state. The task of overcoming inequality, the loss of social cohesion – *the disappearance of* society, cannot be left exclusively to democratic representatives or the market. Without strengthening civic and social participation, the situation in society and the government is very unlikely to change for the better. The process of change is not and will not be easy nor simple [22].

The differences in the global prosperity scale between the top ten and eleven PS countries are large. However, the continued success of the top ten countries on the scale of prosperity is a clear instruction that institutions can be created according to the real needs of the society/citizens of each country and to produce results. The problem faced by all societies, and especially by the societies of the PS countries, is how to be integrated and have the opportunity to create their own policies of economic and social development [20]. The solution to this problem is not at all simple and brings us back to the beginning of the process, the necessity of choosing the scope of the *trilemma*: defining the relationship between globalization, democracy and the nation-state. This decision would steer the development of the state and society, have be a key impact on the content and dynamics of social and economic model and on changes in social values within transition countries [2]. The countries of Scandinavia and the few countries of East Asia are good examples what strategies can be apply and which have enabled the management of the state and society in the desired direction [5].

Of the twelve pillars by which prosperity is measured, only Singapore achieved the best score in the four pillars (market infrastructure, economic quality, health and education) for 2023 [6]. The first place in the other eight pillars of prosperity is distributed in eight different countries: seven are European countries, the eighth belongs to Asia. The concept of society, social values, and the quality of life they insist in Scandinavian countries can provide PS countries with an opportunity for a better understanding of institutional solutions and probably an easier choice in making the necessary decisions. A different approach to prosperity requires, first of all, an open discussion about what kind of society we want to create without avoiding accepting the truth about our own characteristics. Then solutions can be sought that could steer the state and society in a new direction and a well-known goal. The best results achieved by the same countries on a number of global scales with a large number of indicators, show that such a thing is possible, but not inevitable. A deeper look at a particular society brings a clearer picture of the face and back face of success. Nothing is as it seems at first glance [28].

Table 5: Eleven PS countries in prosperity scale and population change

PR 2023	CPR	Country	PN 1990	PNC 2010	Score 2023	SC 2023
21	+7	Estonia	1,6	-0,3	-0,3	39
25	+5	Czech	10,3	+0,2	+0,4	36
27	-3	Slovenia	2,0	0	+0,1	30
31	+4	Latvia	2,7	-0,6	-0,8	79
32	+6	Lithuania	3,7	-0,6	-0,9	129
35	-1	Slovakia	5,3	+0,1	0	39
37	+2	Poland	38,1	-0,1	-1,3	27
41	0	Croatia	4,8	-0,5	-0,9	103
42	-5	Hungary	10,4	-0,4	-0,8	47
45	+4	Romania	23,2	-2,9	-4,2	116
48	+3	Bulgaria	8,7	-1,3	-2,2	81

Source: World Bank Open Data: Population. PR – prosperity position; CPR – Change prosperity position 2007/2023; PN – population; PNC – population change; SC – position by social capital

Conclusion

Eight of the eleven PS countries have lost between three percent and a quarter of their own populations, three decades after the transition beginning. Only three countries achieved small but still population growth. In ten of the eleven countries, the country's social capital was worryingly low. Confidence-building policies at the basic social level have not produced a strong growth in interpersonal trust, trust in institutions and social and civic participation. Policies dedicated to globalization and liberalization have contributed to the decline in living standards, the strengthening of exclusivity, and poorer living conditions. The last decade of measurement (2013-2023) indicates mild changes in the policies of the PS countries, mainly aimed at raising the inclusive society domain. The results of the measurement of the components of social capital indicate a strong strengthening of the family institutions. It seems, empowered individualism produced less care of public goods in community they share. Although negative population data shows a slowdown, the process of population loss continues in most post-socialist countries and remains the most significant factor in weaker prosperity growth.

The regression in the inclusive society domain in the PS countries arose from the dichotomy within the political decision about the importance role of the state and market fundamentalism. The aporia between independence and integration led to the constant questioning of the values of the community, national identity, private and common goods. Failure to undertake the necessary reforms points to the well-known fact of how difficult it is to overcome the created privileges and enthroned injustices. Very little chance of anything changing, most of the inhabitants had and still have a real and subjective feeling of loss of human dignity and perspective. The sense of belonging to society has been replaced by authenticity, a world ruled by money and power a small minority of the rich, and world of illusions presented through the media.

The differences in achieved prosperity 2023 between the ten most successful and PS countries are so large that with the existing approach, most PS countries can hardly come significantly closer to the level of prosperity and perspective of the best-ranked country – Denmark – in the near future. The public policies of the PS countries should be return to the values of the welfare state and Man. In order to create and implement coherent strategic policies for the growth of well-being, it is necessary to raise the level of inclusiveness of society, that is, to change political priorities. People are the most important – this is the message of the top ten countries on the global prosperity scale.

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