Azim Raimbaev will defend his Ph.D. on Monday October 24th 2011

The public defence of the Ph.D in Applied Economics for Azim Raimbaev will take place on Monday October 24th at 6pm on the Etterbeek-campus of the Vrije Universiteit Brussel, Pleinlaan 2, 1050 Brussels in Building D, level 0, room 07.

The Ph.D thesis is called "The Role of Institutional Governance in Reforms: The Case of Transition Countries." (Promoters: Prof. dr. Luc Hens and Prof. dr. Robert Scott Gassler)

Please confirm your attendance by Wednesday October 19 to Tom Matthijs

Abstract
The aim of the current thesis was to answer the question “what institutions have been important for growth in transition economies?” Institutions can be formal or informal. Formal institutions are laws and regulations governing the society and informal institution are culture, tradition and other kinds of informal rules. The growth literature suggests that institution have a positive impact on growth. In this context the originality of the research question is that it examines the impact of individual institutional categories on growth.

I employed a dynamic model to show the effect of informal institutions such as the shadow economy on outcomes of the reforms. My findings suggest that the effectiveness of reforms decreases if a shadow economy is more responsive to the reforms than the official market. Using regression and principal component analysis, I found that the quality of institutions matters for growth in transition economies. Moreover, government effectiveness and control of corruption turned out to be important governance indicators for the transition process. The regressions using extended sample showed that my findings are applicable to non-transition countries too. The importance of government effectiveness for growth is a valid argument in the light of the current economic crisis in Europe.

The regression results were tested for robustness by using spatial analysis. In particular, I tested if the geographical location could explain the link between governance and growth. Cluster analysis and spatial regressions showed that the geographic locations of the transition countries explain the positive link between governance and growth only marginally.