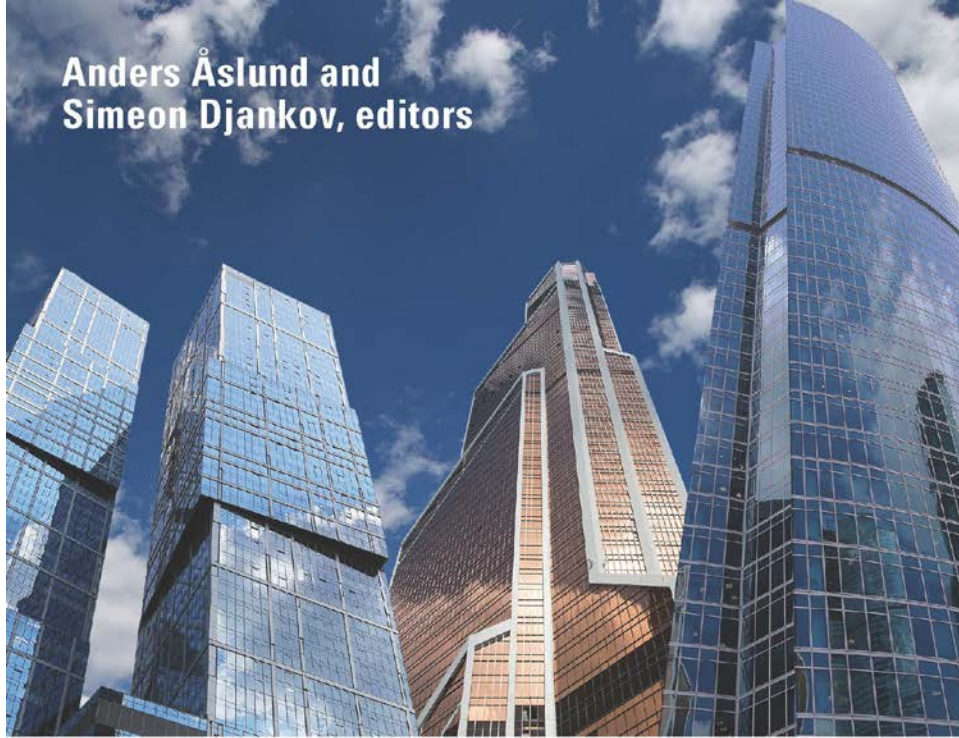


Anders Åslund and  
Simeon Djankov, editors



# THE GREAT REBIRTH

**Lessons from the Victory of Capitalism over Communism**



Peterson Institute for International Economics

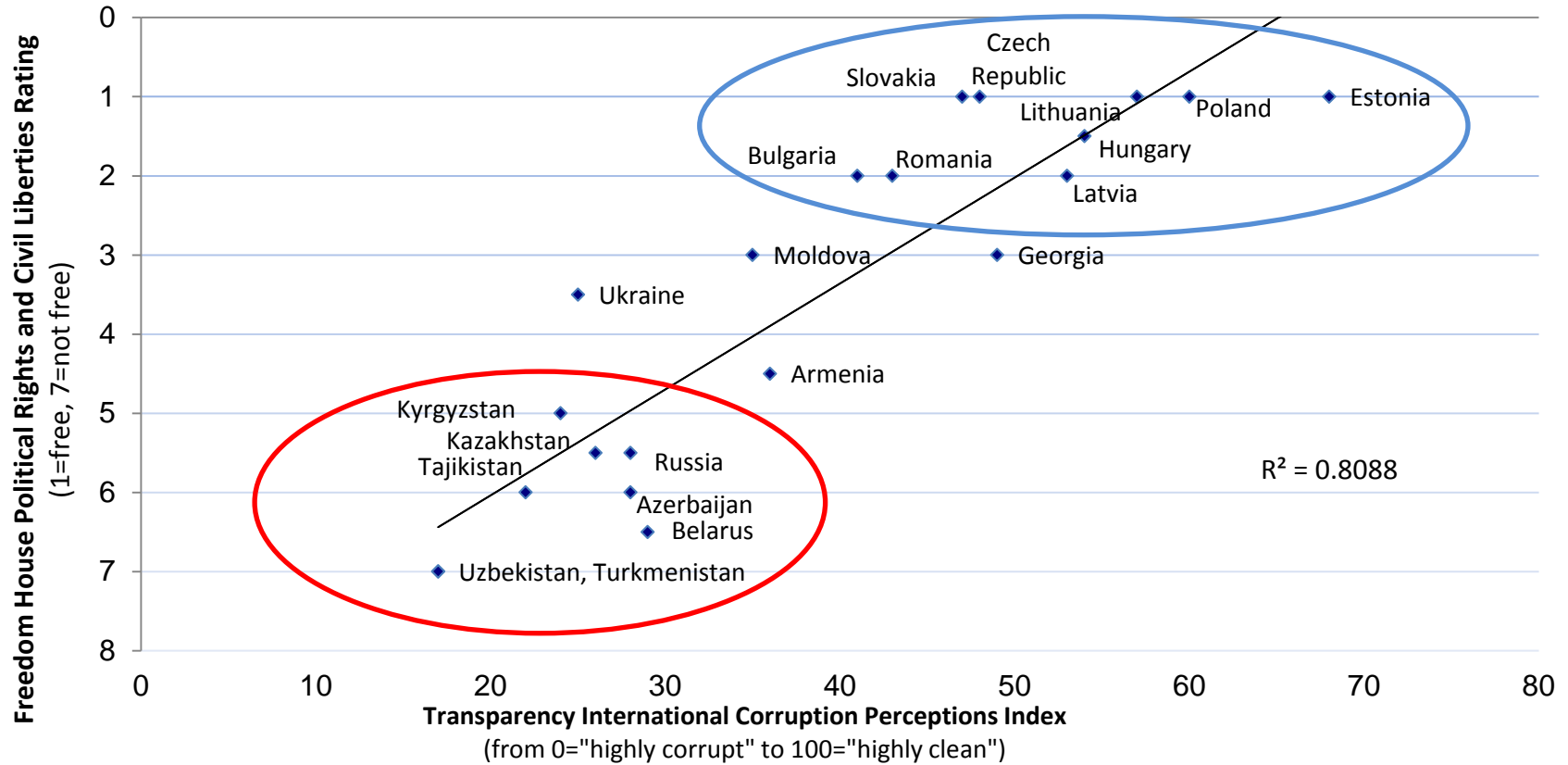
# 12 Key Lessons

1. Speed is important: Frontload reforms!
2. People's behavior cannot be changed:  
Change the people in charge!
3. Dominant economic problem: rent seeking  
and corruption.
4. Early "extraordinary politics" critical:  
To wait is to lose.
5. Leadership matters most early on.
6. The state more difficult to reform than firms.

# 12 Key Lessons

7. The secret police: The greatest threat.
8. Democracy is vital for success of market economic reforms.
9. Nearly impossible to know when reforms become feasible.
10. The main force of reform must be national.
11. The worse the situation, the more radical reforms are needed, but also more difficult.
12. Reversal of structural reforms: New concern mainly in Russia and Hungary.

# Democracy and Corruption, 2013



Sources: Freedom House (2014), Transparency International (2014)