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Etceteras . . .

Results of Still Another Fifty-Year Experiment in Political Economy

ROBERT HIGGS

In a recent interview, Mart Laar, the former president of Estonia, made the following statement:

In 1939, it was hard to find two more similar countries as Finland and Estonia. We were very similar in language, culture, and living standards. Our economies were more or less the same. Then in 1940, Estonia was

Table 1
Demographic and Economic Conditions, Estonia and Finland,
c. 1993–94

Variable	Estonia	Finland
Population (millions, 1994 est.)	1.6	5.1
Life expectancy at birth (years, 1994 est.)		
Males	65.0	72.2
Females	75.2	79.9
Births per 1,000 population (1994 est.)	14.0	12.4
Deaths per 1,000 population (1994 est.)	12.0	9.8
Infant deaths per 1,000 live births (1994 est.)	19.1	5.3
Labor force in agriculture and forestry (% , 1990)	20	9
Gross domestic product (GDP) (billions of U.S. dollars, 1993 est.)	8.8	81.1
GDP per capita (U.S. dollars, 1993 est.)	5,480	16,100
Telephones per 100 persons	25	62

Note: Variables should not be viewed as measured with high accuracy.

Source: U.S. Central Intelligence Agency 1994.

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occupied by the Soviet Union and Finland successfully protected its independence. Look at what happened in this context during these fifty years and then you can understand how terrible the communist system really is. And it's not only in the economy. This is in all fields of life—the social structure, cultural standards, education, healthcare, or whatever. When you compare those two countries, which were exactly the same in 1939[,] in 1989, then you will find what communism really means, and how bad it is. Our economy, our nature, and our environment was [*sic*] destroyed. (2006, 12)

This statement prompts me to present the data displayed in table 1, as still another illustration of a natural experiment in political economy (for earlier, similar presentations, which pertain to the two Koreas and the two Chinas, see Higgs 2000, 2001).

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