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Quality of institutions and international competitiveness of the Visegrad countries in the second decade of the twenty-first century

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Abstract: **Background:** The Visegrad countries are an interesting example of countries that underwent a systemic transition in the 1990s from a command economy to a market economy, which included institutional changes.
Research objectives: The article aims to determine the quality of institutions and the international competitiveness of the Visegrad countries.
Research design and methods: We conducted the research among the Visegrad countries by analysing changes in the Global Competitiveness Index and based on the currently available data from World Economic Forum reports (2011–2012 and 2019).
Results: The results of the analysis of the V4 group regarding the quality of existing institutions show a significant improvement in their position in the global ranking.
Conclusions: As a direct result of the research, we could identify areas characterised by high-quality institutions and those that still require change and special consideration by the governments of these countries.
Keywords: socio-economic development, international competitiveness, institutions
JEL Codes: O43, P37, P48, P52

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1. Introduction

One of the most important questions in economics concerns the reasons for the emergence and persistence of differences between countries in terms of the rate and level of economic growth. We have known for a long time that at the level of a given country, there is a relationship between the amount of human capital, physical capital, and technologies available there, and the per capita output of a society.

In turn, if we consider economic growth, we can find links between this indicator and society's ability to increase both physical and human capital and improve the technology available there. In the article, we understand technology in a rather broad way, which means that the existing differences of a technological nature concern differences in the organization of production and differences in the techniques available to companies.

Within the framework of institutional economics, we may conduct a comparative analysis, which allows us to identify the institutional basis explaining why certain forms of capitalism have advantages over its other forms. This relative advantage is due to the coexistence of several factors of similar importance that complement each other (Kamińska, 2022, p. 109; Wojtyna, 2005, p. 17), with institutions being the most important factors. Various economists, including the father of liberal economics, Adam Smith, refer to the relationship between institutions and economic development and growth. Other economists who emphasize the importance of institutions in the processes of economic growth are David Landes (1998), and the 1993 Nobel Prize winner Douglass North (1990). New theories and research on economic growth indicate that we may consider capital accumulation and technological progress to be among the 'closest causes of economic growth.' In contrast, simply identifying the impact of these determinants on economic growth does not explain why some societies can accumulate capital and innovate faster than other countries. Attempting to explain the complexity of this link requires consideration of the so-called deep causes of growth (Miłaszewicz, 2011, p. 11; Hall, 1999). The relationship is two-sided, i.e. the rate of economic growth depends on the quality of a country's institutions. Conversely, the level of economic growth impacts the quality of a country's institutions.

North defines the concept of institutions as follows: 'Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction' (North, 1990, p. 3). Among rules, we can distinguish between legal rules, administrative rules, and customary relations of repeated human interactions. North distinguishes between a system of formal rules written down by humans, i.e. legal norms, and property rights, and a system of informal rules that include certain customary patterns of behaviour related to traditions, customs, conventions or norms. One of the important tasks of institutions in the modern economy is to define the role and functions of the state in the following areas: creating the institutional basis for the functioning of the market, ensuring the international competitiveness of the economy, as well as its growth, and stabilising the macroeconomic situation or influencing the market allocation of resources (Kamińska, 2022, p. 109; Jakóbik 2006, pp. 72–92; Przesławska, 2009, p. 185). The Czech Republic, Poland, Slovakia, and Hungary form the Visegrad Group (V4), which is the only example of an informal regional arrangement of Central European states. Its creation in 1991 was a response to the challenge faced by the three countries in the region at the time. The challenges included building democratic, independent states and joining NATO and the European Union. The 1990s were a period of systemic transition for the countries of this group. Their economies were gradually opening, and the foreign trade was liberalizing. However, despite their proximity, similar geopolitical circumstances, and shared history, traditions, culture and values, their socio-economic development was mixed and trade ties between the V4 countries are relatively small. This article aims to evaluate the quality of institutions and international competitiveness of the Visegrad countries after 2010, based on data from the World Economic Forum (WEF) reports for the years 2011–2012 and 2019. The latest report available at the time of preparing the analysis concerned 2019. Therefore, the analysis did not cover the period of the Covid-19 pandemic, the outbreak of war in Ukraine, and the impact of institutions on the stabilization of the economic situation in the studied countries. However, due to its specificities, the time of pandemic and war would require a separate, in-depth analysis, and not all relevant data are available even today. The World Economic

Forum is one of several international institutions dealing with issues of studying the international competitiveness of economies. Others include the Forum, the Lausanne International Management Institute, the World Bank, the OECD, and the Heritage Foundation Research Institute. Based on accepted determinants of competitiveness, these organizations prepare ranking lists of countries in terms of their competitive position in the world, also taking into account institutional aspects of interest. We chose to use Global Competitiveness Index because of the acumen of the analysis it offers and its usefulness in meeting the article's objective. This index takes into account the factors considered crucial in supporting a high rate of economic growth. An improvement in a country's competitive position means a relative increase in its development potential (Kamińska, 2022, p.109).

The article consists of the following sections: the first one will overview the current literature, the next one will presents research method and material, describing the reports that produced the data used. The third part will explain study results. The article will end with conclusions.

2. Literature review

The subject of economic development and its causes is an important topic in the economic literature, which resulted in the development of many theories and research approaches. These aim to identify the factors that influence economic development processes. One of the currents dealing with this topic is institutional economics, which tries to answer the question of what is the role of institutions in shaping and accelerating economic development. Compared to mainstream economics, institutional economics offers the possibility of a comprehensive explanation of the causes of various economic problems, such as the reasons for the increase in income disparities between countries and issues related to explaining the failure of systemic transition, as well as differences in the scope of their effects observed in some post-communist countries (Kamińska, 2022, p. 110; Miłaszewicz, 2011, p. 8). Social sciences scholars analysed the importance of institutions for economic growth for over a century (Rodriguez-Pose & Storper, 2006). A very characteristic direction of research in the 1990s in industrialized countries was the analysis of and emphasis on the role of regional policy and institutional actors in economic development (Talmaciu, 2012, p. 3). In the twenty-first century, the topic of the quality of institutions as the most important growth factor appeared in research (Rodrik et. al., 2002; Nawaz et al., 2014; Ganau, 2017). According to research, increasing the economy's degree of openness positively influences an institution's quality (Kamińska, 2022, p. 110). Rodrik and Subramanian (2003) state that long-term economic development requires, first of all, building three types of institutions that will sustain its pace, and will also provide protection against these shocks and, in response to their appearance, enable socially acceptable burden-sharing. We may assign these institutions to the following groups (Rodrik & Subramanian, 2003, p. 32):

- market regulation – these are institutions that deal with externalities, economies of scale, and imperfect information (e.g. regulatory agencies in telecommunications, transport, and financial services).
- stabilizing the market – these are institutions that aim to ensure a low level of inflation, i.e. those that ensure low inflation, minimize macroeconomic volatility, and prevent the emergence of financial crises (e.g. central banks, exchange rate systems, and budget and fiscal rules).

– market legitimacy – institutions that provide social protection and insurance, include redistribution, and resolve various conflicts (e.g. pension systems, unemployment insurance schemes and other social funds).

Rodrik (2007, pp. 150–161) distinguishes five groups of institutions of particular importance for economic development:

– property rights,
– regulatory institutions,
– macroeconomic stabilization institutions,
– social security institutions,
– conflict management institutions.

These institutions are essential for economic development. If they are missing, a country's economy can be expected to remain in a stagnant phase.

In recent years, more and more economists – such as Acemoglu et al. (2001), Vijayaraghavan and Ward (2001), Rodrik et al. (2004), Stimson et al. (2005), or Andriesse (2008) – argue that compared to traditional growth drivers institutions are of equal (if not greater) importance regarding the influence on country's economic development. One group of researchers – Rodrik (2014; et al., 2004), Acemoglu et al. (2001), and Baumol et al. (2009) – claims that among the institutions studied, it is the formal institutions, and in particular property rights and regulations, that most significantly impact economic development. In contrast, the second group of researchers point to certain groups of informal institutions influencing economic development. For example, Knack (2003), Beugelsdijk et al. (2004), Bengtsson et al. (2005) point to trust, while Putnam (1993; 2000), and Baumol et al. (2009) – to social capital and cooperation.

In a well-functioning market economy, effective institutions should perform several specific functions (World Bank, 2002), which include, among others, issues related to enabling the flow of information, i.e. creating, collecting, analysing, verifying, and disseminating information and knowledge, which should take place among auditing companies, credit registers, or government regulations (e.g. in the field of media restrictions). Another function concerns tasks such as defining and securing property rights and contracts, which are carried out thanks to the country's constitution, an efficient judicial system, and informal arrangements. The last function characterizing well-functioning institutions is their ability to influence changes in the level of competition. In practice, it can affect the level of innovation and the rate of economic growth (Kamińska, 2022, pp. 110–111).

In the economy, it is possible to assess institutions' quality based on their function and compliance with the purpose of their creation, distribution issues, or their ability to create incentives that support efficient markets and reduce uncertainty (Miłaszewicz, 2011, p. 14).

Various groups of indicators are very useful measures used for this type of assessment. Their potential use can show their impact on the economic situation and economic growth, as emphasized by Aron (2000, pp. 107–112).

We may divide these indicators into two groups. The first of them includes such indicators that describe the institution's characteristics and which indirectly impact the economic situation and economic growth. Among them, we can include measures of political instability, characteristics of society, and formal institutions (Kamińska, 2022, p. 111).

The second group includes indicators that directly impact the economic situation and economic growth, such as the quality of governance describing, for example, the degree of implementation of property rights and securing contracts and property rights, as well as the quality of social capital (Kamińska, 2022, p. 111).

From the beginning of the systemic transition, the V4 countries have chosen the path of gradual liberalization of foreign trade and the process of economic integration both at the global and regional levels. During this period, these economies underwent an institutional transformation, which scholars do not analyse in this group of countries. Studies only considered individual countries (Lissowska, 2008 – Poland). There are quite a few works on the economic transition in the V4 group and the economic relations between them. They mainly concern the analysis of intra-industry trade intensities of these countries and the study of changes in their competitiveness, as measured, among other elements, by the intra-industry division of labour, which increased systematically (Czarny & Śledziewska, 2012; Gabrisch & Segnana 2003; Gabrisch, 2006; Kamiński, 2001; Molendowski, 2007).

3. Research method and material

We researched the quality of institutions and changes in the competitiveness of the Visegrad countries' economies by analysing changes in the Global Competitiveness Index (GCI). The Global Competitiveness Index is associated with the economist Xavier Sala-i-Martin researching the issue of economic growth and development based on data from the World Economic Forum. The measure used for this study is a set of factors that play a fundamental role in the growth of a country's productivity and competitiveness, while considering the changes in the global economy (Schwab, 2011, pp. 4–8). Since 2004, the WEF has published this index as a part of the annual World Competitiveness Report. It consists of 12 pillars divided into three basic groups:

– core requirements,
– efficiency,
– factors of innovation and sophistication.

In 2019, the WEF introduced a new methodology for calculating this indicator. This change resulted from the consequences of the 2007–2009 recession and the structural changes in economies stemming from the introduction of Industry 4.0 or changes in communication (including the development of big data), financial markets, human capital, and the innovation ecosystem (Olczyk et al., 2022, pp. 120–121).

The new method related primarily to the revision of individual variables and pillars of competitiveness. Moreover, it included a balance of hard and soft data and a clear final aggregation of pillar values into a final indicator. Until 2018, the GCI included 114 indicators grouped into 12 pillars, while GCI 4.0 consists of 103 indicators. Compared to the old index, in the new index, 56 indicators are based on hard data and 47 on soft data from the Executive Opinion Survey (in the previous index, 77 indicators were from the Executive Opinion Survey, and only 37 indicators were based on hard data). The introduced change may make the results obtained as a result of the analysis using this indicator more objective. The main difference between GCI and GCI 4.0 is the change of pillars. Thus, 67% of the indicators included in GCI 4.0 were new, and the WEF redefined a significant part of the indicators. Due to the subject of analysis in this article, it should be mentioned that the Institutions pillar has undergone a complete reorganization, as a result of which it includes – checks and balances and social capital. As for the Macroeconomic environment pillar, the list of indicators has been extended to include state finance (Olczyk et al., 2022, p. 121).

In 2019, we may describe these pillars as follows: enabling environment conveys (1) institutions, (2) infrastructure, (3) ICT, and (4) macroeconomic stability; human capital captures (5) health and (6) skills; markets contains (7) product market, (8) labour market, (9) financial system, and (10) market size; while innovation ecosystem gathers (11) business dynamics and (12) innovation potential (Schwab, 2019, p. 2).

Our analysis focused on the first component of the GCI related to institutions and their quality. The institutions listed there play a significant role in shaping the necessary conditions for the functioning of economic entities and also enable the stimulation of growth processes in the global economy environment thanks to the appropriate adjustment of the national economic structure. A country's institutional competitiveness is inextricably linked to the quality and characteristics of its institutional environment in a broad sense, encompassing regulations of a formal nature, which can include the state, justice, bureaucracy, contract law, property law, among others, in creating the conditions necessary for high international competitiveness (Kamińska, 2022, p. 112; Dołęgowski, 2002, pp. 82–83; Przesławska, 2006, p. 188).

4. Results

The economies of V4 countries began to dynamically develop in the 1990s as a result of the systemic transition from a centrally planned economy to a market economy. The nature of the transition was radical, sometimes called shock therapy, and the process of institutional changes that followed took on individual characteristics in each country. The most important factors that influenced the institutions' quality in the surveyed group of countries were the attitude and vision of political leadership in terms of the nature and institution's characteristics. Moreover, with each change of political power, the continuity and coherence of reforms proved to be important. Another group was the influence of certain cultural features, such as social capital, trust displayed by society members, and mentality and attitude to the process of institutional restructuring (Talmaciu, 2012, p. 6.).

Table 1 lists the elements that make up the GCI indicator of the institutions' quality. We rated each indicator on a scale of 1 to 7.

Table 1. Factors influencing institutional quality and GDP per capita (USD) in the Visegrad countries in 2011–2012

Elements of the GCI indicator: the quality of institutions	Czech Republic	Poland	Hungary	Slovakia
Property rights	4.1	4.5	4.3	4.1
Intellectual property protection	3.7	3.7	4.1	3.8
Diversion of public funds	2.3	4.1	2.6	2.5
Public trust in politicians	1.7	2.5	1.8	1.7
Irregular payments and bribes	3.9	4.9	4.3	3.7
Judicial independence	3.7	4.3	3.9	2.7
Favouritism in decisions of government officials	2.4	3.3	2.8	2.1
Wastefulness of government spending	2.5	3.0	2.5	2.6
The burden of government regulation	2.6	2.6	2.3	2.7
The efficiency of the legal framework in settling disputes	2.9	3.2	3.3	2.2

Elements of the GCI indicator: the quality of institutions	Czech Republic	Poland	Hungary	Slovakia
The efficiency of the legal framework in challenging reg	2.9	3.3	2.8	2.4
Transparency of government policymaking	4.0	4.0	4.1	4.1
Organized crime	5.5	5.7	5.4	4.7
Reliability of police services	3.6	4.4	4.2	3.8
Firms' ethical behaviour	3.3	4.1	3.4	3.4
Strength of auditing and reporting standards	5.0	5.2	5.4	4.6
Institutions (the average grade obtained)	3.6	4.2	3.8	3.5
GCI 2011–2012	4.5 (rank 38 out of 142)	4.5 (rank 41 out of 142)	4.4 (rank 48 out of 142)	4.2 (rank 69 out of 142)
GDP per capita (USD)	18,288	12,300	12,879	16,104

Source: Schwab, 2011.

Analysis of the value of the GCI element relating to the quality of institutions in Table 1 allowed us to formulate several observations:

– The V4 countries were characterized by low values in terms of assessing the quality of institutions in 2011–2012, not exceeding 4.2 (the values ranged from 3.6 to 4.2). Poland had the best score during this period – 4.2 but it had the lowest GDP per capita (US$) – 12,800 USD. The Czech Republic ranked next, followed by Hungary. The weakest performer in this group was Slovakia. In this group, GCI was more or less similar, ranging from 4.2 to 4.5.
– These countries obtained the highest in terms of the quality of institutions – transparency of government policymaking (above 4 points out of 7), organised crime (above 5 points on average) and strength of auditing and reporting standards (above 5 points on average).
– Other common areas in terms of institutional quality were: the poor effectiveness of the legal framework, characterized by inconsistency, instability, and excessive complexity, low level of judicial independence, which requires the existence and effectiveness of democratic institutions, lack of transparency of government policy, which may involve supporting various interest groups. The low quality of the institution results also from the fact that the government often selects the functionaries of public institutions based on political criteria or affiliation with specific social groups. Thus, the level of substantive knowledge recedes into the background.

Table 2 shows how the assessment of the quality of institutions and their elements changed in 2019, i.e. in the last year for which the WEF published the report.

Table 2. Factors influencing institutional quality, 10-year average annual GDP growth % and GDP per capita (USD) in the Visegrad countries in 2019

Elements of the GCI indicator: the quality of institutions	Czech Republic	Poland	Hungary	Slovakia
Organized crime	5.7	5.1	4.5	4.4
Homicide rate per 100,000 pop	0.6	0.8	2.5	1.5
Terrorism incidence 0 (very high) – 100 (no incidence)	99.8	99.9	100.0	100.0
Reliability of police services	5.0	4.1	4.5	3.4
Social capital 0–100 (best)	50.0	49.4	49.4	52.2
Budget transparency 0–100 (best)	61	59	46	59
Judicial independence 1–7 (best)	4.5	2.7	3.0	2.8
The efficiency of legal framework in challenging regulations 1–7 (best)	3.0	2.5	2.3	2.4
Freedom of the press 0–100 (worst)	24.9	28.9	30.4	23.6
The burden of government regulation 1–7 (best)	2.7	2.9	3.0	2.4
The efficiency of the legal framework in settling disputes 1–7 (best)	3.5	3.0	3.4	2.4
E-participation 0–1 (best)	0.62	0.89	0.71	0.81
Incidence of corruption 0–100 (best)	59.0	60.0	46.0	50.0
Property rights 1–7 (best)	4.7	4.1	4.0	4.4
Intellectual property protection 1–7 (best)	4.9	4.1	4.1	4.3
Quality of land administration 0–30 (best)	25.0	19.0	26.0	25.5
Strength of auditing and accounting standards 1–7 (best)	5.2	4.7	5.0	5.5
Conflict of interest regulation 0–10 (best)	5.7	6.0	4.0	4.7
Shareholder governance 0–10 (best)	6.0	6.3	6.0	6.0
Government ensuring policy stability 1–7 (best	3.5	2.9	3.3	3.0
Government's responsiveness to change 1–7 (best)	3.4	3.3	3.5	2.9
Legal framework's adaptability to digital business models 1–7 (best)	3.6	3.5	3.4	3.5
Government long-term vision 1–7 (best)	3.0	3.2	3.9	2.7
Energy efficiency regulation 0–100 (best)	74.8	49.7	81.8	82.9
Renewable energy regulation 0–100 (best)	71.1	44.9	79.9	82.6
Environment-related treaties in force count (out of 29)	25	24	27	25

Elements of the GCI indicator: the quality of institutions	Czech Republic	Poland	Hungary	Slovakia
Institutions (average grade obtained)	60.9 (rank 44 out of 141)	56.4 (rank 60 out of 141)	55.7 (rank 63 out of 141)	56.3 (rank 61 out of 141)
GCI 2019	32 (out of 141)	37 (out of 141)	47 (out of 141)	42 (out of 141)
GDP per capita (USD)	22,850.3	15,430.9	15,923.8	19,581.6
10-year average annual GDP growth %	2.0	3.1	2.1	2.8

Source: Schwab, 2019.

We may draw the following conclusions about the quality of institutions in the Visegrad countries in 2019 from the above data (Table 2). The redesign of the GCI has provided deeper insights into the quality of institutions in this group of countries.

– In terms of development, the leader in this group of countries is Poland with a 10-year average annual GDP growth of 3%. Slovakia is in second place with 2.8%, followed by Hungary (2.1) and the Czech Republic (2.0). Poland was among the top 10 Emerging Markets in 2019, but the Czech Republic and Hungary are also included in the Emerging Markets group. This group includes countries that found their way from a developing economy to a developed economy. These countries are most often characterised by rapid economic growth and high investment levels. Therefore, investors perceive them as attractive. Over time, emerging markets have begun to integrate more and more with the global economy, which is manifested by increased liquidity in local debt and equity markets, as well as the development of foreign trade and FDI (Carlson, 2022).
– Poland achieved the best scores for institutional quality in the following areas: shareholder governance, e-Participation, conflict of interest regulation, and incidence of corruption.
– Compared to the previous analysed period, Poland has lost its leading position in the quality of institutions in this group of countries. The leader in the V4 in 2019 was the Czech Republic – 60.9 (rank 44 out of 141), Poland – 56.4 (rank 60 out of 141), Slovakia – 56.3 (rank out of 141) and Hungary – 55.7 (rank 63 out of 141).
– Judicial independence is still a problematic institution in the V4 countries. In Poland, the quality of this institution was the lowest rated in this group of countries – 2.7 out of 7 points and has deteriorated since the 2011–2012 report.
– The quality of social capital in the countries studied was at the midpoint of the scale. Slovakia scored the best. The Czech Republic came second, followed by Hungary and Poland. This assessment indicates the need for action to develop it further and improve its quality.
– Quite a big problem in the V4 countries is the relatively low rating of the institutions' quality (from 2.3 to 3.9 out of 7), which are responsible for the regulatory effectiveness of economic policy and its nature, predictability and adaptation to the current needs of the economy, or its long-term vision: efficiency of legal framework in challenging regulations (Poland 2.5 out of 7), burden of government regulation, government ensuring policy stability, government's responsiveness to change, and government's long-term vision. This situation may show how long and arduous the road from post-socialist economies to a free market economy is and indicate the need to adapt policies and their solutions to the current situation.

- Poland was weakest in energy efficiency regulation (49.7 out of 100) or renewable energy regulation (44.9 out of 100). The best performers in both categories were Slovakia and Hungary (more than 80 points out of 100).
- As far as the position in terms of global competitiveness is concerned, the Czech Republic was also the best performer in 2019, ranking 32nd out of 141 countries, followed by Poland in 37th position, Slovakia in 42nd position and the last place in the group of V4 countries went to Hungary in 47th position.
- If we compare the results from 2019 with the years 2011–2012, the improvement of the examined group of countries in the ranking of the analysed index is visible. The Czech Republic improved its position by six places, Poland only by four, Hungary by one and Slovakia moved up from 69th position to 42nd in 2019.

Results of the study in the group of V4 countries in terms of the development of the GCI indicator, and in particular its pillar concerning the assessment of the quality of institutions, allow us to conclude that, in general, when we compare 2011–2012 with 2019, we can observe a significant improvement in their position in the world ranking. The World Economic Forum slightly revised the institutional indicator in 2019 and added various elements related to socio-economic development, which allow for a deeper assessment of this area in the surveyed economies. The issues that require improvement in this group of countries are the quality of social capital and the nature and effectiveness of economic policy.

New Institutional Economics analyses the impact of non-market institutions on economic growth. For example, we may treat the existence of an independent judiciary as an important element of the non-market institutional environment, which can have a positive impact on reducing uncertainty in relations between entities on the market, and therefore we may treat it as a guarantee of compliance with the law by both natural persons and representatives of state authorities, and thus it will be a factor stimulating the growth of long-term investments (Kamińska, 2022, p. 117; Przesławska, 2006, p. 191).

5. Conclusions

We analysed the V4 countries and noted that these countries have improved their positions in the WEF ranking in the second decade of the twenty-first century. Slovakia made the biggest jump of 27 positions. Other countries improved by several levels: Poland by four places, Czech Republic by six places, and Hungary by one position. The assessment of the quality of institutions indicated some improvement, important areas that still require improvement, and institutions that have a particularly significant impact on socio-economic development, such as social capital.

The most important shortcomings of the institutions in this group of countries in the analysed period include: insufficiently good quality of legal regulations and government regulations, institutions related to the stability of economic policy, issues connected with the quality of the functioning of the judiciary, and the quality of social capital.

All the listed imperfections of the institutional system of the V4 countries may, to a varying degree, contribute to the weakening of development trends in these economies, although a long-term upward trend is visible in the group of V4 countries. The above-mentioned areas where institutions in the V4 countries perform worse should become an incentive to conduct the necessary institutional reforms. The success of these reforms will presumably increase the international competitiveness of the V4 economies and will positively influence their socio-economic development.

However, the analysis conducted based on the GCI has its limitations, as until 2019 it was based solely on the results of surveys addressed to managers and not on hard data. This makes the objectivity of the results less clear. Until 2019, we could consider the results mainly as management's perception of the institution. Compared to other indices, such as the Economic Freedom Index (Heritage Foundation or Fraser Institute), it also does not take into account many other characteristics of the institution. It would certainly be worthwhile to conduct an analysis of the quality of institutions and their impact on the socio-economic development of the Visegrad countries using several indicators. This would provide a broader view of the process and deepen the analysis. However, the availability of GCI data from 2020 onwards constitutes a limitation.

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