

Transformation of the Czech Republic

Communist period (1948 – 1989)

- totalitarian system
- inefficient
- social guarantees
- central-planned economy

Transformation:

- **totalitarian system into the democratic system**
- **central-planned economy into the market economy**

Economic transformation:

- liberalization of prices and foreign trade
- internal convertibility of the currency
- privatisation programs
- restrictive monetary and financial policy of the state
- tax reform