

**UNIVERSITY OF TORONTO**

**Centre for European, Russian and Eurasian Studies**

**ERE 1198F**

**From Plan to Market: The Economics of Transition**

**Fall 2007**

**Professor Abraham Rotstein**

**Office Hours:** Mondays, 8:45-9:45am

Sidney Smith Hall, Room 5017, 100 St. George St.

**Telephone:** 416-593-9515

**Email:** [abraham.rotstein@utoronto.ca](mailto:abraham.rotstein@utoronto.ca)

**Seminar:** Thursday 2:00 – 4:00, Room 14352, Robarts Library

This seminar explores the underlying problems, economic and political, in the transition of Russia, Eastern Europe, and China toward a market economy.

The course begins with a review of the basic structures of state planning and of market economies respectively. The several divergent paths taken in Eastern Europe and in Russia, are compared with the development process known as “market socialism” in China.

### **GRADES**

Each student will undertake a research paper on contemporary economic issues in one of the countries of Eastern Europe or in China. A two-page outline of your project is due in class on Thursday October 11<sup>th</sup> 2007. This outline should include some key items in your bibliography. The completed paper is due on Thursday November 8<sup>th</sup> 2007 in class and should be about 20 pages (double-spaced).

Each student will make at least one presentation of “work-in-progress” and/or a project report to the seminar.

A take-home test covering the whole course will be handed out on Thursday Dec. 6<sup>th</sup> 2007. Answers should be sent by e-mail before noon, Monday December 10<sup>th</sup>.

Grades will be based on the following:

Research paper	50
Take-home test	25
Seminar presentation and general participation	<u>25</u>
	<u>100</u>

### **READINGS**

The readings cited below cover general problems common to many of the countries being examined, as well as studies of the experience of the particular countries under discussion. Special attention has been paid to problems such as inflation, economic growth, privatization procedures, and the social safety net.

Items starred with an (\*) are required reading for all students, and are contained in a reading package. The entire kit is available at **Print City, 180 Bloor St. W., just west of Bloor and Avenue Rd. (above the Bob Miller Book Room). Their telephone number is 416-920-3040.**

Please read the relevant articles *prior* to the lecture on that topic. Other items listed offer supplementary reading and should provide a good starting point for research projects on that particular country or subject.

### **COURSE OUTLINE**

**Sept. 20 – Sept. 27 Markets, Planning, and Transition Strategies:**

#### **An Overview**

(2 Sessions)

--Transition: Shock Therapy vs. Gradualism

--Market structures

--Foreign direct investment

## Transition Strategies

\*Murrell, Peter “Institutions and Transition”, The New Palgrave Dictionary of Economics, 2<sup>nd</sup> Edition, Palgrave Macmillan Ltd., London.

\*Ellman, Michael, “Transition: Intended and Unintended Processes”, Comparative Economic Studies, 2005, v.47, pp.595 – 614.

Redek Tjasa and Andrei Susjan, “The Impact of Institutions on Economic Growth: The Case of Transition Economies”, Journal of Economic Issues, vol. XXXIX, No. 4, December 2005, pp. 995 - 1027

Roland, Gérard. “Synthesizing Lessons from Transition.” Ch. 13 from Transition and Economics: Politics, Markets, and Firms. Cambridge: The MIT Press, 2000, pp.327-346.

Horowitz, Shale. “National Identity and Liberalizing Consensus in Poland, Hungary, and the Czech Republic.” The Polish Review, Vol.45, No.2, 2000, pp.197-216.

Lavigne, Marie. “The Economics of the Transition Process: What Have We Learned?” Problems of Post-Communism, Vol.47, No.4, July/August 2000, pp.16-23.

Marangos, John. “Was Shock Therapy Really a Shock?” Journal of Economic Issues. Vol. XXXVII, No.4, December 2003, pp.943-

966.McMahon, Gary, ed. Lessons in Economic Policy for Eastern Europe from Latin America. New York: St. Martin's Press, 1996.

Melich, Jiri S. "The Relationship Between the Political and the Economic in the Transformations in Eastern Europe: Continuity and Discontinuity and the Problem of Models." East European Quarterly, Vol.34, No.2, June 2000, pp.131-157.

Stiglitz, Joseph E. "Whither Reform? Ten Years of the Transition," in Annual World Bank Conference on Development Economics 1999, Boris Pleskovic and Joseph E. Stiglitz, eds. Washington, D.C.: The World Bank, 2000.

Svejnar, Jan. "Transition Economies: Performance and Challenges." The Journal of Economic Perspectives. Volume 16, Number 1, Winter 2002, pp.3-28. Turnock, D. "Transition to a Market Economy," in The East European Economy in Context, D. Turnock, ed. New York: Routledge, 1997, chapter 4.

Van Brabant, Jozef M. "The Evolving Role of the State During Transformation." The Political Economy of Transition. New York: Routledge, 1998, pp.343-378.

World Bank. "Introduction" & chs. 1, 2, 3, 4, 6. World Development Report 1996: From Plan to Market. Washington, D.C.: World Bank, 1996.

## **Market Structures**

\* Rosefielde, Steven. "Culture Versus Competition: Economic Liberalization

in Russia, China, and Japan.” Problems of Post-Communism, Vol.49,  
No.5, September/October 2002, pp.45-54.

Dillon, Patricia and Frank C. Wykoff. “Why Private Markets Work.” Ch.  
3 from Creating Capitalism: Transitions and Growth in Post-  
Soviet Europe. Northampton: Edward Elgar, 2002, pp.37-56.

Van Brabant, Jozef M. “The Role of Institutions in a Market Economy.”  
The Political Economy of Transition. New York: Routledge,  
1998, pp.249-297.

### **Democracy**

Cheung, S. “The Curse of Democracy as an Instrument of Reform in  
Collapsed Communist Societies.” Contemporary Economic  
Policy, Vol.16, No.2, April 1998, pp.247-249.

Intriligator, M.D. “Democracy in Reforming Collapsed Communist  
Economies: Blessing or Curse?” Contemporary Economic Policy,  
Vol.16, No.2, April 1998, pp.247-249.

Pakulski, Jan, and Baogang He. “National Integrity, Elites and  
Democracy: Russia and China Compared.” The Journal of  
Communist Studies and Transition Politics. Vol.15, No.2, June  
1999, pp.69-87.

Groth, Alexander J. “Communism, Post-Communism and Democracy:  
A Policy-Outcomes Perspective”, Journal of Communist Studies  
and Transition Politics, Vol. 21, No. 3, Sept. 2005, pp. 375-394.

## Growth

Berglof, Erik and Patrick Bolton. "The Great Divide and Beyond: Financial Architecture in Transition." The Journal of Economic Perspectives. Volume 16, Number 1, Winter 2002. EXCERPT: pp. 97-100.

Perkins, D.H. "History, Politics, and the Sources of Economic Growth: China and the East Asian Way of Growth," in China in the Twenty-First Century: Politics, Economy, and Society, F. Itoh, ed. New York: United Nations University Press, 1997, ch.1.

Sachs, J.D. & Warner, A.M. "Achieving Rapid Growth in the Transition Economies of Central Europe." Working Paper No.116, Stockholm Institute of East European Economies, 1996.

## Privatization

\*Pejovic, Svetozar, "On the Privatization of 'Stolen Goods' in Central and Eastern Europe", The Independent Review, Vol. X, No.2, Fall 2005, pp. 209 – 229.

Estrin, Saul. "Competition and Corporate Governance in Transition." The Journal of Economic Perspectives. Volume 16, Number 1, Winter 2002, pp.101-124.

Estrin, S. & Stone, R. "A Taxonomy of Mass Privatization." Between State and Market: Mass Privatization in Transition Economies, World Bank. Washington, D.C.: World Bank, 1997, pp.173-176.

Kornai, J. "The Principles of Privatization in Eastern Europe," in The Evolutionary Transition to Capitalism, K.Z. Poznanski, ed. Boulder: Westview Press, 1995, ch.2

Lieberman, I.W. "Mass Privatization in Comparative Perspective." Between State and Market: Mass Privatization in Transition Economies, World Bank. Washington, D.C.: World Bank, 1997, pp.1-15.

Maw, James. "Partial Privatization in Transition Economies." Economic Systems 26 (2002) 271-282.

Rapacki, R. "Key Determinants and Effects of Privatization in East-Central Europe," in How Does Privatization Work? A. Bennett, ed. London: Routledge, 1997, pp.252-266.

Süß, Dirck. "Fiscal Effects of Privatization – A Comparative Study of Poland, the Czech Republic and Hungary." Economic Systems, Vol.22, No.3, September 1998, pp.305-309.

## Corruption

Karklins, Rasma. "Typology of Post-Communist Corruption." Problems of Post-Communism, Vol.49, No.4, July/August 2002, pp.22-32.

**Oct 4 – Oct. 11**

*(2 Sessions)*

### RUSSIA

--Russian reforms

--Informal sector

--Democracy

--Corruption

--Foreign Direct Investment

## **Russian Reforms**

\* Ericson, Richard E. "The Russian Economy: Market in Form but "Feudal" in Content?" Ch. 1 in Institutional Change in Transition Economies. Michael Cuddy and Ruvim Gekker, eds. Hampshire: 2002, pp.3-34.

\* Pomer, Marshall. "Demise of the Command Economy." Ch. 9 in The New Russia: Transition Gone Awry. Lawrence R. Klein and Marshall Pomer, eds. Stanford: 2001, pp.139-169.

Åslund, Anders. "Russia's Collapse." Foreign Affairs, Vol.78, No.5, September/October 1999, pp.64-77.

Barnes, Andrew. "Russia's New Business Groups and State Power." Post-Soviet Affairs. 2003: 19, 2, pp.154-186.

Economist, The. "Counting the Cost." 8 April, 2002.

Ellerman, David. "On the Russian Privatization Debate." Challenge. Volume 46, Number 3, May/June 2003, pp.6-28.

Glaz'ev, S. "The Central Bank Versus Russian Industry." Problems of Economic Transition, Vol.41, No.1, May 1998, pp.72-92.

Iasin, E. "Defeat or Retreat? Reforms and the Financial Crisis." Problems of Economic Transition, Vol.42, No.8, December 1999, pp.6-35.

Illarionov, A. "How the Russian Financial Crisis Was Organized [I & II]." Problems of Economic Transition, Vol.41, No.11, March 1999, pp.7-56.

Mau, V. "The Political Nature and Financial Lessons of the Financial Crisis." Problems of Economic Transition, Vol.41, No.11, March 1999, pp.57-79.

----- "The Russian Economic Reforms Through the Eyes of Western Critics: The 'Collapse' of the Russian Reforms and Accusations Against the Reformers." Russian Social Science Review, November-December 2001/Vol.42, No.6, pp.31-59.

Ortung, Robert W. "business and Politics in the Russian Regions." Problems of Post-Communism. Volume 51, Number 2, March/April 2004, pp.48-60.

### **Informal Sector**

\* Ledeneva, A.V. "*Blat* as a form of exchange: between gift and commodity." From Russia's Economy of Favours: *Blat*, Networking, and Informal Exchange. Cambridge: Cambridge University Press, 1998, pp.139-174.

Dinello, Natalia. "The Russian F-Connection: Finance, Firms, Friends, Families, and Favorites." Problems of Post-Communism, Vol.46, No.1, January-February 1999, pp.24-33.

-----, "Clans for Market or Clans for Plan: Social Networks in Hungary and Russia." East European Politics and Societies, Fall 2001, Vol.15, No.3, pp.589-624.

Woodruff, David. "Introduction," in Money Unmade: Barter and the Fate of Russian Capitalism. Ithaca: Cornell University Press, 1999, pp. 1-20.

### **Corruption**

\* Glinkina, Svetlana et. al. "Crime and Corruption." Ch. 15 in The New Russia: Transition Gone Awry. Lawrence R. Klein and Marshall Pomer, eds. Stanford: 2001, pp.233-250.

\* Leitzel, Jim. "Corruption and Organized Crime in the Russian Transition." Ch. 2 in Institutional Change in Transition Economies. Michael Cuddy and Ruvim Gekker, eds. Hampshire: 2002, pp.35-54.

Rutland, Peter and Natasha Kogan. "The Russian Mafia: Between Hype and Reality." Transitions: Changes in Post-Communist Societies, Vol.5, No.3, March 1998, pp.24-34.

### **Foreign Direct Investment**

\* Murray, Brian. "Dollars and Sense: Foreign Investment in Russia and China." Problems of Post-Communism, Vol.47, No.4, July/August 2000, pp.24-33.

Grigor'ev, L. "Transformation Without Foreign Capital: Ten Years Later." Problems of Economic Transition, April 2002/Vol.44, No.12, pp.3-34.

**October 18**

**HUNGARY**

- Hungarian reforms
- Privatization
- Foreign direct investment
- Social safety net
- Environment
- Culture
- Informal Economy
- Agriculture
- Economic and political update

**Hungarian Reforms**

- \* Adam, Jan. "Transition to a Market Economy in Hungary." Ch. 5 from Social Costs of Transformation to a Market Economy in Post-Socialist Countries: The Cases of Poland, the Czech Republic, and Hungary. New York: St. Martin's Press, 1999, pp.52-67.
- \* Bartlett, D.L. "Stabilization Policy in the Post-Communist Period." The Political Economy of Dual Transformations: Market Reform and Democratization in Hungary. Ann Arbor: The University of Michigan Press, 1997, pp.165-204.

\* De Boer-Ashworth, Elizabeth. "Hungary." Ch. 6 from The Global Political Economy and Post-1989 Change: The Place of the Central European Transition. New York: St. Martin's Press, 2000, pp.128-155.

Bartlett, D.L. "Structural Adjustment in Hungary's New Democracy." The Political Economy of Dual Transformations: Market Reform and Democratization in Hungary. Ann Arbor: The University of Michigan Press, 1997, ch.6.

Baxandall, Phineas. "The Communist Taboo Against Unemployment: Ideology, Soft-Budget Constraints, or the Politics of De-Stalinization?" East European Politics and Societies, Vol.14, No.3, Fall 2000, pp.597-635.

Ernst, M. "Hungary," in Transforming the Core: Restructuring Industrial Enterprises in Russia and Central Europe. M. Ernst *et. al.*, eds. Boulder: Westview Press, 1996, pp.153-210.

Gros, D. & Steinherr, A. Winds of Change: Economic Transition in Central and Eastern Europe. New York: Longman, 1995, ch.11.

Hanley, Eric. "Cadre Capitalism in Hungary and Poland: Property Accumulation Among Communist-Era Elites." East European Politics and Societies, Vol.14, No.1, Winter 2000, pp.148-178.

Kornai, J. The Road to a Free Economy – Shifting from a Socialist System: The Example of Hungary. New York: W.W. Norton & Company, 1990.

Kornai, J. "Paying the Bill for Goulash Communism: Hungarian Development and Macro Stabilization in a Political Economy Perspective." Struggle and Hope: Essays on Stabilization and

Reform in a Post-Socialist Economy. Northampton: Edward Elgar, 1997, ch.5.

Torok, Adam. "Performance and Corporate Governance in Hungarian Industry (1989-94)." Eastern European Economics, Vol.36, No.2, March-April 1998, pp.43-92.

Turnock, D. "National Profiles: Northern Countries," in The East European Economy in Context, D. Turnock, ed. New York: Routledge, 1997, ch.5.

### **Foreign Direct Investment**

Benko, T. & Torok, E. "MOL Ltd. (Hungarian Oil and Gas)," in Hungary Since Communism, G. Bogel, V. Edwards, & M. Wax, eds. London: MacMillan, 1997, ch.5.

### **Social Safety Net**

\* Garcés, Jorge, Francisco Ródenas, and Stephanie Carretero. "Observations on the Progress of Welfare-State Construction in Hungary, Poland, and the Czech Republic." Post-Soviet Affairs. 2003: 19, 4. EXCERPT: 363-371.

Fajth, G. and Lakatos, J. "Fringe Benefits in Transition in Hungary," in Enterprise and Social Benefits After Communism, M. Rein, B.L. Friedman, A. Worgotter, eds. Cambridge: Cambridge University Press, 1997, pp.167-186.

## **Environment**

Berg, Marni. "Red and Green: Twenty Years of Environmental Activism in Hungary." Problems of Post Communism, Vol.47, No.2, March-April 2000, pp.46-56.

## **Culture**

Sukosd, Miklos and Gabriella Cseh. "Hollywood's Hungarian Offensive: Tensions Over Television." Transitions: Changes in Post-Communist Societies, Vol.5, No.4, April 1998, pp.42-47.

## **Informal Economy**

Böröcz, József. "Informality Rules." East European Politics and Societies, Vol.14, No.2, Spring 2000, pp. 348-380.

## **Agriculture**

Banse, Martin et. al. "The Evolution of Competitiveness in Hungarian Agriculture: From Transition to Accession." Moct-Most 9, 1999, pp.307-318.

## **Economic and Political Update**

\* Réti, Pál. "Governing the New Economy." The Hungarian Quarterly, Vol.42, No.161, Spring 2001, pp.63-69.

Adair, Bianca L. "Democratization and Regime Transformation in Hungary." Problems of Post-Communism, March-April 2002, Vol.49, No.2, pp.52-61.

October 25

CZECH REPUBLIC

- Czech reforms
- Privatization
- Market failure, corruption

Czech Reforms

- \* Adam, Jan. “Czech Transition to a Market Economy.” Ch. 4 from Social Costs of Transformation to a Market Economy in Post-Socialist Countries: The Cases of Poland, the Czech Republic, and Hungary. New York: St. Martin’s Press, 1999, pp.37-51.
- \* De Boer-Ashworth. “Czech Republic.” Ch. 5 from the Global Political Economy and Post-1989 Change: The Place of the Central European Transition. New York: St. Martin’s Press, 2000, pp.102-127.

Ernst, M. “The Czech Republic,” in Transforming the Core: Restructuring Industrial Enterprises in Russia and Central Europe. M. Ernst *et. al.*, eds. Boulder: Westview Press, 1996, pp.127-152.

Gros, D. & Steinherr, A. Winds of Change: Economic Transition in Central and Eastern Europe. New York: Longman, 1995, ch.11.

Havel, V. “The Sad State of the Republic.” New York Review of Books, March 5, 1998.

Myant, M. et. al. “Stability Before Growth,” in Successful Transformations? The Creation of Market Economies in Eastern Germany and the Czech Republic, Myant *et. al.*, eds. Cheltenham: Edward Elgar Publishing, 1996, ch.4.

-----, “An Incomplete Transformation?” in Successful Transformations? The Creation of Market Economies in Eastern Germany and the Czech Republic, Myant *et. al.*, eds. Cheltenham: Edward Elgar Publishing, 1996, pp.128-162.

Turnock, D. “National Profiles: Northern Countries,” in The East European Economy in Context, D. Turnock, ed. New York: Routledge, 1997, ch.5.

Vecernik, J. Markets and People: The Czech Reform Experience in a Comparative Perspective. Aldershot: Avebury Ashgate Publishing Ltd., 1996.

Zuzowski, Robert. “Are the Czechs Prague-matic?” East European Quarterly, Vol.33, No.4, Winter 1999, pp.475-490.

## **Privatization**

\* Mertlik, Pavel. “Czech Privatization.” Eastern European Economics, Vol.35, No.2, March-April 1997, pp.64-83.

Kotrba, J. “Privatization Process in the Czech Republic: Players and Winners,” in The Czech Republic and Economic Transition in Eastern Europe, J. Svejnar, ed. San Diego: Academy Press, 1995, pp.159-198.

Desai, R.M. & Plockova, V. "The Czech Republic." Between State and Market: Mass Privatization in Transition Economies, World Bank. Washington, D.C.: World Bank, 1997, pp.190-196.

Schwartz, A. "The Czech Approach to Residual Share Management." Between State and Market: Mass Privatization in Transition Economies, World Bank. Washington, D.C.: World Bank, 1997, pp.70-79.

## November 1 POLAND

- Polish reforms
- Privatization
- Foreign direct investment
- Informal Sector

### Polish Reforms

- \* Adam, Jan. "Transition to a Market Economy in Poland." Ch. 3 from Social Costs of Transformation to a Market Economy in Post-Socialist Countries: The Cases of Poland, the Czech Republic and Hungary. New York: St. Martin's Press, 1999, pp.22-36.
- \* Belka, Marek et. al. "Corporate Governance and Economic Performance in Poland." Eastern European Economics, Vol.37, No.1, January-February 1999, pp.5-38.
- \* De Boer-Ashworth, Elizabeth. "Poland." Ch. 4 from The Global Political, Economy and Post-1989 Change: The Place of the Central European Transition. New York: St. Martin's Press, 2000, pp.64-101.

Lee, Hongsun. "Transition to Democracy in Poland." East European Quarterly, Vol.35, No.1, March 2001, pp.87-107.

Turnock, D. "National Profiles: Northern Countries," in The East European Economy in Context, D. Turnock, ed. New York: Routledge, 1997, ch.5.

### **Privatization**

Duvivier, Y. "Poland." Between State and Market: Mass Privatization in Transition Economies, World Bank. Washington, D.C.: World Bank, 1997, pp.219-223.

Lewandowski, J. "An Overview of the Polish Privatization Process," in Monitoring Economic Transition: The Polish Case, G. Blazyca & J.M. Dabrowski, eds. Aldershot: Avebury Ashgate Publishing, 1995, pp.86-101.

-----, "The Political Context of Mass Privatization in Poland." Between State and Market: Mass Privatization in Transition Economies, World Bank. Washington, D.C.: World Bank, 1997, pp.35-39.

### **Foreign Direct Investment**

Hunter, Richard J. Jr., Robert Shapiro, and Leo V. Ryan. "Foreign Direct Investment in Poland – 2003." The Polish Review. Vol. XLVIII, No. 3, 2003: 303-316.

Krajewska, A. "Transformation of the Polish Economy." Eastern European Economics, Jan/Feb 1996, pp.5-20.

## The Informal Sector

\*Mroz, Bogdan. "The Second Economy and Transformation of the Economic System: Empirical Evidence from Poland." Russian & East European Finance and Trade, Vol.35, No.4, July/August 1999, pp.14-29.

**November 8 - 15**

**CHINA**

*(2 Sessions)*

- Chinese reforms
- The debate on economic growth
- Agriculture
- Township-village enterprises
- Foreign direct investment
- Environment
- Social institutions
- Law
- Informal sector
- Privatization
- Corruption

## Chinese Reforms

\* Garnaut, Ross. "Twenty Years of Economic Reform and Structural Change in the Chinese Economy." Ch. 1 from Growth Without Miracles: Readings on the

Chinese Economy in the Era of Reform. Oxford: Oxford University Press, 2001,  
EXCERPT: pp.1-9.

\* Woo, W.T. "The Real Reasons for China's Growth." China Journal, (41) January 1999, pp.115-137.

\* Palley, Thomas I. "External Contradiction of the Chinese Development Model: export-led growth and the dangers of global economic contraction",

Journal of Contemporary China, Vol. 15 (46), Feb. 2006, pp. 69-88.

Binyan, L. & Link, P. "The Great Leap Backward?" New York Review of Books, October 8, 1998, pp.19-23.

Bowles, P. "Financial Reform at the Crossroads," in China Handbook, C. Hudson, ed. London: Fitzroy Dearborn, 1997, pp.162-172.

Bradsher, Keith. "Is China the Next Bubble?" New York Times. January 18, 2004.

Chai, J.C.H. "China's Transition: Overview and General Assessment." China: Transition to a Market Economy. Oxford: Clarendon Press, 1997, ch.11.

Duckett, J. "The Emergence of the Entrepreneurial State in Contemporary China." Pacific Review, Vol.9, No.2, 1996, pp.180-198.

---. "Bureaucrats in Business, Chinese Style: The Lessons of Market Reform and State Entrepreneurialism in the People's Republic of China." World Development, Vol.29, No.1, 2001, pp.23-37.

Holz, Carsten A. "Economic Reforms and State Sector Bankruptcy in China." The China Quarterly, June 2001, No.166, pp.342-367.

Lin, Yi-min. "Economic Institutional Change in Post-Mao China: Reflections on the Triggering, Orienting, and Sustaining Mechanisms." Asian Perspective, 2001, Vol.25, No.4, pp.33-66.

Wei, Ge. "Special Economic Zones and the Opening of the Chinese Economy: Some Lessons for Economic Liberalization." World Development, Vol.27, No.7, 1999, pp.1267-1285.

Young, S. "The Private Sector in China's Economic Reforms," in China Handbook, C. Hudson, ed. London: Fitzroy Dearborn, 1997, ch.11.

### **Township-Village Enterprises**

\* Chang, Chun and Yijiang Wang. "The Nature of the Township-Village Enterprise." Ch. 14 from Growth Without Miracles: Readings on the Chinese Economy in the Era of Reform. Oxford: Oxford University Press, 2001, pp.205-218.

Byrd, William and Alan Gelb. "Township, Village and Private Industry in China's Economic Reform." Ch. 12 from Growth Without Miracles: Readings on the Chinese Economy in the Era of Reform. Oxford: Oxford University Press, 2001, pp.170-188.

Putterman, L. "On the Past and Future of China's Township and Village-Owned Enterprises." World Development, Vol.25, No.10, 1997, pp.1639-1655.

Sun, Laixiang. "Fading Out of Local Government Ownership: Recent Ownership Reform in China's Township and Village Enterprises." Economic Systems 26 (2002) pp. 249-269.

### **Foreign Direct Investment**

Ma, Shu-Yun. "The State, Foreign Capital and Privatization in China." The Journal of Communist studies and Transition Politics, Vol.15, No.3, September 1999, pp.54-79.

Murray, Brian. "Dollars and Sense: Foreign Direct Investment in Russia and China." Problems of Post-Communism, Vol.47, No.4, July/August 2000, pp.24-32.

### **Environment**

Tisdell, C. "China's Environmental Problems and Its Economic Growth." China's Economic Growth and Transition, C. Tisdell & J.C.H. Chai, eds. Commack, N.Y.: Nova Science Publishers, 1997, pp.305-316. EXCERPT.

### **Social Institutions**

Burstein, D. & de Keijzer, A. Big Dragon. New York: Simon & Schuster, 1998, ch.1

Huang, Yiping, Wing Thye Woo, and Ron Duncan. "Understanding the Decline of China's State Sector." Moct-Most, 9, 1999, pp.1-15.

## Law

Clarke, Donald and Peter Murell, Susan Whiting, "The Role of Law in China's Economic Development", Public Law and Legal Theory Working Paper No. 187, George Washington University Law School, Draft Jan 27, 2006.

Available on the net: <http://ssrn.com/abstract=878672>

## Informal Sector

- \* Wilson, S. "The Cash Nexus and Social Networks: Mutual Aid and Gifts in Contemporary Shanghai Villages." China Journal, No.37, January 1997, pp.91-112.

Guthrie, D. "The Declining Significance of *Guanxi* in China's Economic Transition." China Quarterly, No.154, June 1998, pp.254-282.

Wang, Hongying. "Informal Institutions and Foreign Investment in China." The Pacific Review, Vol.13, No.4, 2000, pp.525-556.

Yang, Mayfair Mei-hui. "The Resilience of *Guanxi* and Its New Deployments: A Critique of Some New *Guanxi* Scholarship." The China Quarterly 2002, pp.459-476.

Zhang, Xiaobo and Guo Li. "Does *Guanxi* Matter to Nonfarm Employment?" Journal of Comparative Economics 31 (2003) pp.315-331.

## Privatization

Ding, X.L. "Who Gets What, How? When Chinese State-Owned Enterprises Become Shareholding Companies." Problems of Post-Communism, Vol.46, No.3, May-June 1999, pp.32-41.

**November 22**            **Symposium and Overview**

- \* Lohr, Steve. “Who’s Afraid of China Inc.?” The New York Times. July 24, 2005
  
- \* Popov, Vladimir. “Strong Institutions are more Important than the Speed of Reforms.” Ch. 3 from Institutional Change in Transition Economies. Michael Cuddy and Ruvin Gekker, eds. Hampshire: Ashgate Publishing, 2002, pp.55-71.
  
- \* Kaldor, Mary, and Ivan Vejvoda. “Democratization in Central and East European Countries: An Overview.” Ch. 1 from Democratization in Central and Eastern Europe. Kaldor and Vejvoda, eds. London: Continuum Press, 2002, pp.1-24.

Johnson, Juliet, “Post-Communist Central Banks: A Democratic Deficit?”,

Journal of Democracy, Vol. 17, No. 1, January 2006

**November 29**            Selected Project Reports

**December 6**            Selected Project Reports

Take-home test is distributed. Answers are due by Monday December 10<sup>th</sup> at noon. They should be sent by e-mail to

**INTERNET SOURCES**

Delovoi Ekspres, [www.securities.com](http://www.securities.com)

Ekspert (Moscow), [www.securities.com](http://www.securities.com), [www.park.ru](http://www.park.ru), or [www.expert.ru](http://www.expert.ru)

Inforis Legal Database (Nizhnii Novgorod), [www.inforis.ru:8001/home.html](http://www.inforis.ru:8001/home.html)

Ispolnitel'naia Vlast', Den' za dnem, (Sverdlovsk),  
csp.mprik.ru/govpress/bulleten/BUL9701.HTM

Kommersant [renamed Kommersant Vlast'] (Moscow), [www.securities.com](http://www.securities.com)

Kommersant-Daily (Moscow), [www.securities.com](http://www.securities.com)

Nauchnyi Park, [www.park.ru](http://www.park.ru)

New in Russian Legislation, [www.securities.com](http://www.securities.com)

Rossiiskaia Aziia (Novosibirsk), [www.park.ru](http://www.park.ru)

Rossiiskie Regiony (Moscow), [www.transport.ru](http://www.transport.ru)

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