

Economics of Transition and Emerging Markets (Summary of the Course)

The purpose of this course is to offer Master students basic knowledge on economic problems and challenges faced by the group of transition and emerging-market economies. The first notion (transition economies) refers to the group of former centrally planned (command) economies in Central, Eastern and South Eastern Europe and Central and East Asia which started its transformation towards a market economy at the end of 1980s and early 1990s. The second notion (emerging-market economies) refers to a much larger group of middle-income countries which have opened up to trade and financial flows in 1990s and 2000s. Apart from transition economies it includes several countries of Asia, Middle East, Africa and Latin America, some of them becoming recently major players in the global economy (like BRICS countries).

Below you will find major themes and topics addressed during this course:

- 1/ Origins of post-communist transition: dysfunctionality of the model centrally planned economy and its collapse, unsuccessful attempts to replace it with the so-called market socialism model since 1950s (2 hours)
- 2/ Major components of transition process and major challenges: liberalization, macroeconomic stabilization, privatization, enterprise restructuring, building market institutions, building market compatible social safety net (4 hours)
- 3/ Controversies on transition strategy: shock therapy vs. gradualism and political economy of transition process (2 hours)
- 4/ Interrelations between economic and political reforms (2 hours)
- 5/ The role of external actors in shaping transition process (IMF, World Bank, EU, WTO, OECD, bilateral assistance) (2 hours)
- 6/ Transition economies in early 2010s and their major economic and social challenges (2 hours)
- 7/ Specifics of Chinese/ East Asian market transition: major differences in starting transition, transition strategies and political economy of transition between East Asian countries (China and Vietnam) and countries of Central and Eastern Europe and former USSR (2 hours)
- 8/ Developing economies in 1970s and 1980s: legacy of colonialism, import substitution industrialization, financial repression, etatism, experiments with various “socialisms”, trade protectionism, consequences of oil shocks of 1970s, regional conflicts, macroeconomic populism (4 hours)
- 9/ Emerging-market financial crises of 1980s and 1990s (Latin American debt crisis of 1990s, Mexican and “Tequila” crisis of 1994-1995, Asian crisis of 1997-1998, Russian and CIS crisis of 1998-1999, Brazilian and Argentinian crisis of 1999-2001, Turkish crisis of 2001) (2 hours)

hours)

10/ Policy reforms of 1990s and 2000s in major Asian, African and Latin American economies and their impact on development path of emerging-market economies (2 hours)

11/ The increasing role of emerging-market economies in contemporary global economy: global output, trade, demand for commodities, financial flows, environment and climate change (2 hours)

12/ The increasing role of emerging-market economies in shaping global economic policy agenda (G-20, IMF, World Bank, WTO, regional blocks and organizations, BRICS) (2 hours)

13/ Perspectives of global trade and the role of emerging-market economies: Doha round, South-South relations, bilateral and regional trade agreements, EU and US trade deals with emerging-market economies (2 hours)

14/ Major economic and social challenges faced by emerging market economies: dependence on macroeconomic policy of major advanced economies, financial fragility, commodity dependence, continuing poverty and income inequalities, education and health (2 hours)

Total: 32 hours