Introduction to the Symposium

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‘Probably the biggest puzzle in the transition literature is the Chinese economic miracle. Many papers try to provide explanations for this puzzle by singling out various peculiarities of institutional and cultural environment, stage of development, as well as of the speed, sequencing, and direction of transition in China. None of these explanations so far provided a satisfactory answer that would allow treating China not as a miracle but as a normal and comprehensible phenomenon. Nonetheless, many of these theories helped our general understanding of how the world works outside China or, at least, helped to pose the right questions’. (Zhuravskaya, 2007, p.137)

The above quotation, which comes from an article about economic progress in Russia, highlights the vast difference in performance in China and Russia, especially during the 1990s. This symposium, which is an outgrowth of a session at the ASSA meetings in January 2007, includes four papers that attempt to address the question why the Chinese experience has been so different from the experience with transition in Eastern Europe and the former Soviet Union.

The papers here confront a complex issue that is often overlooked in studies that compare the transition experiences in different countries. The Chinese experience has been so different from the experiences in Eastern Europe and the former Soviet Union that studies often restrict their comparisons to Eastern Europe and the former Soviet Union.

Each of the papers approaches the question from a somewhat different direction. Rosefielde’s paper looks at the experience in Russia and sees trends that reflect the history of Russia even before the communist period. Parker and Thornton focus on fiscal issues and how they have been resolved differently in the two settings. Miller and Tenev argue that many of the problems in Russia were a function of trying to make too many institutional changes too quickly. In particular, the radical political changes in Russia made it difficult to carry out the economic changes needed to create a market economy. Finally, Woo provides some perspective on the changes taking

place in China. While the other papers, which directly compare Russia and China, generally see the changes in China as being very positive, Woo argues that there are still many problems that may cause future problems for the development of the Chinese economy. John Bonin comments on how three of these papers relate to one another.

Until we have a clearer picture of why these experiences are so different, our understanding of the transition experience will be incomplete. These papers are an attempt to engage this discussion.

REFERENCES

- Zhuravskaya, E. 2007: Whither Russia: A review of Andrei Shliefer's *A Normal Country*. *Journal of Economic Literature* 45(1): 127–146.