# The New Political Economy of Russia

Erik Berglöf, Andrei Kunov, Julia Shvets, and Ksenia Yudaeva

612760871

The MIT Press Cambridge, Massachusetts London, England

## Contents

Preface vii

#### 1 Introduction 1

### 2 Accounting for Growth 9

- 2.1 The Productivity Challenge 17
- 2.2 The Investment Challenge 29
- 2.3 The 2001 Survey on Reform Priorities 38

## 3 The Political Context of Economic Reform 43

- 3.1 Government Accountability during the Yeltsin Presidency 45
- 3.2 Government Accountability during the Putin Presidency 56

#### 4 Structural and Institutional Reforms 67

- 4.1 Incentives and Failure of the Post-Soviet Judicial System 69
- 4.2 Regulation and Rent-Seeking Bureaucracy 97
- 4.3 Banking-Sector Failure and Reform 106
- 4.4 Social-Sector Reforms 121

## 5 International Accountability: The Prospect of Accession to the World Trade Organization 135

- 5.1 Costs and Benefits of WTO Accession 136
- 5.2 Russian Accession Strategy and WTO Accession as an External Anchor 141
- 5.3 Accompanying Policies 142

#### 6 Conclusions 145

Notes 151 References 155 Index 163