Table of contents

Preface		VI
At	bbreviations	xii
Introduction		
1.	Rationale for policy choice and the focus of this volume	2
2.	Delineating the geographical and topical focus	6
3.	1	8
	Governance, the state, industrial policy, and the transition	13
5.	₩	17
6.	A synopsis	22
1.	Core concepts	25
1.	Industrial policy and the East's transitions	25
2.	On industrialization and development	27
3.	The meaning of industry	30
4.	p	33
	Governance and economic emancipation	36
	The state and economic development	40
7.	On the notion of industrial policy	45
2.	From plan to market	52
1.	Did socialism fail the East?—or the other way around?	53
2.	The legacies of planning and communist development	56
	1. Central planning	56
	2. The legacies of central planning	61
	3. The short-term socioeconomic depression	65
	4. Coordinating economic decisions	66
3.	Market coordination and market failures	67
	1. Properly functioning markets	68
	2. Markets are not or only poorly available	69
	3. Moving towards functioning markets and government	
	intervention	70
	4. Complementing the market?	71
	Plan coordination and government failures	73
	On the market	76
6.	Market and plan in the transition	78

X	Contents

3. Privatization and industrial policy	81
1. Privatization as a surrogate industrial policy	01
2. Privatization and property rights' reform defined	81 85
3. The purposes of privatization	91
1. Economic	91
2. Political	93
3. Trade unionism	93
4. Social framework	94
5. Wealth distribution	94
4. Generic obstacles to privatization	95
1. Technical	95
2. Economic	98
3. Managerial	99
4. Attitudinal	101
5. Methods of privatization explored in PETs	104
1. Spontaneous privatization	105
2. Distribution of state assets free of charge	106
Divestment of user rights Sale of state-covered assets	107
and of prate-owild assets	108
6. Industrial policy as a framework for privatization	109
4. On governing society	112
1. Governance and its meanings	112
1. Governance and the political regime	112 116
2. Governance as policy making	117
3. Policy analysis, design, implementation, monitoring, and	117
adaptation	118
4. Governance as management	118
2. Why is governance important?	119
3. The agencies of governance	122
4. The tasks of governance and subsidiarity	124
5. How successful can governance be? 6. Printing in a governance be?	127
6. Privatization as a governance issue	128
7. Corporate governance8. Multilateral governance	133
9. Capacities to govern	137
or capacities to govern	139
5. On the role of the state	142
1. Ideology, privatization, and the role of the state	1.42
2. I latitudg versus the market and the role of the state	143
3. Economic theory and the role of the state	147 150
	150

4.	The role of the state during the transition	155
5.		162
6.		166
7.		168
6.	Industrial policy and economic development	171
1.	Stylized approaches to economic development	172
	1. The 'old' model	172
	2. The 'new' model	175
2.	Industrialization and development	177
3.		181
4.	Does industry still matter?	184
5.	· ·	191
6.		196
7.	Governing industrial policy—prior experience	199
1.	Industrial policy in the postwar period	199
2.	Successful development in East Asia	207
3.	Lessons from successful development in East Asia	214
	East Asia's experience and the PETs	217
5.		220
	1. In search of an agenda	220
	2. On the core industrial agenda	221
8.	The desirability of industrial policy in PETs	227
1.	Coming to grips with the core tasks at hand	228
2.		230
3.	The principal components of markets in the PETs	234
	1. Creating markets with genuine prices	234
	2. Fostering competition	235
	3. Privatization	236
	4. Trade and foreign-exchange reforms	237
	5. Banking infrastructure and capital markets	238
	6. Macroeconomic policy	239
	7. Labor market	241
	8. The social safety net	242
	9. The role of the state	243
	10. Institutions of the market	243
4.	The follies of transition policies	244
5.	Creating markets within an industrial-policy context?	246
6.	Components of an industrial policy in the PETs	249

Contents

	1. Managing the existing capital stock	249
	2. Science and technology	251
	3. Imported factors of production and organizations	251
7.	Ability to govern and the desirability of industrial policy	252
9.	Governance agencies and the transition agenda	255
1.	Industrial organization	256
2.	On nonmarket organizations	260
3.	Governance through nonmarket organizations	262
4.	Nonprofit organizations catering to the private sector	266
5.	Nonprofit organizations catering to the public sector	269
6.	Nonprofit organizations and the transition	272
7.	Key public governance agencies during the transition	275
	1. A development agency	275
	2. Towards a privatization agency	277
	3. A state-asset board	279
	4. Governing industrial policy	280
8.	The danger of bureaucratization	280
10.	Multilateral governance and assistance	283
1.	Multilateral governance and the PETs	284
2.	The East in the multilateral framework	288
	1. The paradox of postwar cooperation	288
	2. A first rapprochement	292
	3. The PETs and the global organizations	293
	4. Economic cooperation in Europe	294
3.	The transitions and the international framework	296
4.	International assistance and governance	299
5.	The organization of assistance to the PETs since 1989	302
6.	The transition and regional governance	304
7.	Alternative modes of delivering assistance and governance	306
Co	nclusions	311
1.	Governance and the transition	312
2.	The role of the state	314
3.	Industrial policy and the transition	315
4.	Multilateral governance, the transitions, and assistance	317
Bil	bliography	319
_	Index	