Introduction

This is a half-semester course dealing with the determinants and performance effects of different forms of corporate ownership and governance in the transition and emerging market economies. Since government policies greatly affect the behavior of firms in these economies, an important part of the course will focus on the determinants and effects of government policies on firms. The overall goal is to give students an introduction into recent theoretical and empirical literature in this area. We will analyze the principal theoretical and empirical studies, evaluate existing data sets and identify research topics. In addition to providing an overview of the most important phenomena, the course will review frontier research in order to help students to identify possible research topics.

Students are expected to read the assignments on the reading list before class and participate in class discussions. Students will also be asked to lead discussions of some papers on the reading list. The readings will be available from Ms. Faith Vlcek, Executive Assistant at the William Davidson Institute, one week before class.
The Reading List

1. Privatization and Restructuring

Surveys and Assessments


Theory


*Lau, Qian and Roland, 2000 JPE “Reform Without Losers: An Interpretation of China's Dual Track Approach to Transition”

Dieter Bos. “Privatization; A theoretical treatment” Book.

Perotti, 1995 “Credible Privatization” AER 1995

“Classics”


**Empirical or Theoretical and Empirical Studies**


Yin-Fang Zhang, David Parker and Colin Kirkpatrick , “Electricity Sector Reform In Developing Countries: An Econometric Assessment of The Effects of Privatisation, Competition and Regulation, Mimeo, 2002.

**US and British Privatization**


2. Ownership Effects on Employment, Wages and Productivity


3. Investment Behavior, Soft Budget Constraints and Spillovers


4. **Entrepreneurs and New Firms**

