



# TRANSITION IN PERSPECTIVE

May 6–7, 2014  
Budapest, Hungary





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The Transition in Perspective Conference in Budapest is an event organized by the Peterson Institute for International Economics in cooperation with the School of Public Policy at Central European University. It was made possible thanks to generous financial support provided by Petr Aven, the Yegor Gaidar Foundation, and the Open Society Foundations.

The concept and agenda of the conference were developed by Anders Åslund, Simeon Djankov, Adam Posen, and Wolfgang H. Reinicke. The event was organized by Vijay Khosa, Krisztina Móricz, Emese Böröcz, and Katalin Horváth. The input and ideas of all the participants have been instrumental in shaping the content of this historical conference.

## TRANSITION IN PERSPECTIVE

Tuesday–Wednesday, May 6–7, 2014  
Kempinski Hotel Corvinus  
Erzsébet tér 7–8, Budapest 1051

Transition in Perspective is a two-day conference on post-communist transition. The objective of this conference is to clarify what really happened in post-communist transitions. By involving the top policymakers and intellectuals behind the reforms of the 1990s, we hope that this conference and the resulting publication will provide a comprehensive reflection on the post-communist transitions in Central and Eastern Europe and former Soviet Union.

This year, a quarter of a century will have passed since the collapse of communism in Eastern Europe and the former Soviet Union. In September 1989, Leszek Balcerowicz published his epoch-making reform program in Poland. One country after the other abandoned the socialist economic system. Much of the vision and risk involved in making economic transition work, has been forgotten precisely because, for the most part, it worked well in Central and Eastern Europe. In contrast, in the former Soviet Union, people speak with contempt of “the damned 90s.”

This is a propitious time to look back, reflect and see what the aims and expectations of transition were, what the outcomes have been, and what reforms worked, did not work or were missing. We have gathered many of the key reformers in the most interesting countries to write papers for a book to be published by the Peterson Institute by the end of 2014. We have also asked some prominent economists to write overview papers to be presented in Budapest.

## TUESDAY – MAY 6, 2014

08:30 – 09:00 **Registration** / Kempinski Corvinus, Function Floor Foyer

09:00 – 09:30 **Welcome Remarks**

**Speakers:** Wolfgang H. Reinicke, Anders Åslund and Petr Aven

09:30 – 09:45 **Keynote speech: Ukraine: Quo Vadis?**

**Speaker:** Pavlo Sheremeta

09:45 – 11:15 **Session 1: Poland and Hungary**

**Moderator:** György Surányi

**Speakers:** Leszek Balcerowicz and Lajos Bokros

**Discussants:** Péter Mihályi and Stanisław Gomułka

11:15 – 11:30 Coffee Break / Kempinski Corvinus, Function Floor Foyer

11:30 – 13:00 **Session 2: The Czech Republic and Slovakia**

**Moderator:** Anne Krueger

**Speakers:** Václav Klaus and Ivan Mikloš

**Discussants:** Stefan Kawalec and István P. Székely

13:00 – 14:00 Lunch / Kempinski Corvinus, Ground Floor, ES Bistro

14:00 – 15:30 **Session 3: Ukraine and Bulgaria**

**Moderator:** Pavlo Sheremeta

**Speakers:** Oleh Havrylyshyn and Simeon Djankov

**Discussants:** Kakha Bendukidze and Kálmán Mizsei

15:30 – 16:00 Coffee Break and Group Photo / Kempinski Corvinus, Function Floor Foyer

16:00 – 17:30 **Session 4: Russia**

**Moderator:** Anatoly Chubais

**Speakers:** Anders Åslund

**Discussants:** Pekka Sutela and Sergei Aleksashenko

17:30 – 18:00 Coffee Break / Kempinski Corvinus, Function Floor Foyer

## WEDNESDAY – MAY 7, 2014

09:00 – 09:20 **Keynote speech: Latvia's 2009 Stabilization**

**Speaker:** Valdis Dombrovskis

09:20 – 10:30 **Session 5: Deregulation and Privatization**

**Moderator:** Peter Boone

**Speaker:** Simeon Djankov

**Discussants:** Maxim Boycko, Stijn Claessens and Sergei Guriev

10:30 – 11:00 Coffee Break / Kempinski Corvinus, Function Floor Foyer

11:00 – 12:30 **Session 6: European Integration, Foreign Trade and Foreign Investment**

**Moderator:** Vladimír Dlouhý

**Speaker:** Daniel Gros

**Discussants:** Simon Commander, Piroska Nagy and Cristina Corduneanu-Huci

12:30 – 13:30 Lunch / Kempinski Corvinus, Ground Floor, ES Bistro

13:30 – 15:00 **Session 7: Macroeconomic Stabilization**

**Moderator:** László Halpern

**Speaker:** Charles Wyplosz

**Discussants:** John Odling-Smee and Fabrizio Coricelli

15:00 – 15:30 Coffee Break / Kempinski Corvinus, Function Floor Foyer



15:30 – 17:00 **Session 8: Perspective on Transition and Political Economy**

**Moderator:** Vladimir Mau

**Speakers:** Gerard Roland and Daniel Treisman

**Discussants:** Marek Dąbrowski, Johannes Linn and Michael Dorsch

17:00 – 17:30 **End of Conference and Farewell Cocktails**



## PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS

### Peterson Institute for International Economics

The Peterson Institute for International Economics is a private, nonprofit, nonpartisan research institution devoted to the study of international economic policy. Since 1981, the Institute has provided timely and objective analysis of, and concrete solutions to, a wide range of international economic problems. It is one of the very few think tanks that is widely regarded as “nonpartisan” by the press and “neutral” by the US Congress. Its research staff has been cited by the quality media more than that of any other such institution. It was voted “best think tank in the world” in 2008 by the first global survey of over 5,000 such institutions and again in 2011 by the British magazine Prospect, whose selections are called “the Oscars of the think tank world” by the BBC.

The Institute attempts to anticipate emerging issues and to be ready with practical ideas, presented in user-friendly formats, to inform and shape public debate. Its audience includes government officials and legislators, business and labor leaders, management and staff at international organizations, university-based scholars and their students, other research institutions and nongovernmental organizations, the media, and the public at large. It addresses these groups globally from its base in Washington, DC.

The Institute celebrated its 25th anniversary in 2006 and adopted its new name at that time, having previously been the Institute for International Economics. In 2001 it moved into its new building, which received an Award of Excellence for Extraordinary Achievement in Architecture by the American Institute of Architects and a Best Architecture in Washington Award by the Washington Business Journal.



## SCHOOL OF PUBLIC POLICY AT CENTRAL EUROPEAN UNIVERSITY

Founded in 2011, the School of Public Policy (SPP) at Central European University, in the words of its founder, George Soros, is a “new kind of global institution dealing with global problems” through multi-disciplinary study of public policy, innovative teaching and research, as well as meaningful engagement with policy practice. In fostering links between researchers and practitioners across multiple fields, it aspires to produce relevant, creative and evidence-based proposals capable of strengthening open societies at both global and local levels.



In 2013, SPP welcomed its inaugural class of 26 students from 21 countries to its two-year US accredited multi-disciplinary MPA program designed to cultivate a mindset that emphasizes critical thinking, entrepreneurship, innovation, cultural awareness, and a commitment to the public good. SPP's academic curriculum is complemented by practical and experiential learning techniques, including the Skills for Impact program, which teaches skills such as leadership, negotiation, and management, and the Passion Project, a student-designed policy consultancy for real world clients. SPP's students are the future social and political entrepreneurs, equipped to make innovative contributions towards resolving the paramount public policy challenges of the 21st century.



CENTRAL  
EUROPEAN  
UNIVERSITY



## PETR AVEN

Petr Aven served as President of Alfa-Bank from 1994 to 2011. He was responsible for the Bank's overall strategy and for relations with business and government leaders in Russia and abroad. Prior to joining the Bank, Aven was Minister of Foreign Economic Relations for the Russian Federation from 1991-1992 and served as Russia's representative to the G-7. Aven spent several years at the International Institute for Applied Systems Analysis in Laxenburg, Austria (1989-

1991) and prior to that he was a senior researcher at the All-Union Institute for Systems Studies at the USSR Academy of Sciences. Aven holds a Ph. D. in Economics from Moscow State University (1980).

Aven is Chairman of the Board of Directors of AlfaStrakhovanie. He is member of the Board of the Russian Union of Industrialists and Entrepreneurs and member of the Presidium of the Russian International Affairs Council (RIAC). He is also Board member of the Russian Economic School, Trustee of Centre for Economic Policy Research (CEPR), Great Britain, member of the President's Council on International Activities of Yale University (USA), member of the Board of Trustees of Lomonosov Moscow State University, Co-Chairman of the Board of Trustees of the Pushkin State Museum of Fine Arts, and member of the Board of Trustees of the Russian Geographical Society. He is a professor at State University - Higher School of Economics and Honorary Doctor of the University of Latvia. Aven is the author of numerous scientific papers and articles on economic and trade issues. Aven often lectures on economic developments in Russia. He was awarded the Russian Federation Order of Honor and Latvian Order of the Three Stars. Aven is a passionate supporter of the arts and theatre in Russia and is a major collector of early twentieth century Russian Art.



YEGOR  
GAIDAR  
FOUNDATION

## YEGOR GAIDAR FOUNDATION

Yegor Gaidar Foundation was established in May 2010. Its mission is development and dissemination of culture, thinking, and vision associated with Yegor Gaidar in Russia. The Foundation is committed to the principles of free academic discussion, rational perception of history and economy, and openness to fair critics and cooperation.

The Foundation's priorities are:

- Supporting private and public initiatives contributing to the establishment of civil society in Russia;

- Facilitating elaboration of the country's development strategy;
- Supporting free thinking in economy, history and other social and humanitarian sciences;
- Shaping and disseminating an adequate image of the Russian history;
- Raising awareness and providing training;
- Popularizing and interpreting Yegor Gaidar's intellectual heritage;
- Perpetuating the memory of Yegor Gaidar.

The Foundation is engaged in numerous joint and in-house projects. The most important of them are the Yegor Gaidar Award to the best historians, to the best economists, and those people who have contributed significantly to the establishment of civil society in Russia; the Yegor Gaidar Scholarship awarded annually to economic students; the Grant Competition for researchers studying ideological and theoretical heritage of Yegor Gaidar, and an open discussion platform – the Gaidar Club.



**OPEN SOCIETY  
FOUNDATIONS**

## OPEN SOCIETY FOUNDATIONS

The Open Society Foundations work to build vibrant and tolerant societies whose governments are accountable and open to the participation of all people. OSF seeks to strengthen the rule of law, respect for human rights, minorities, and a diversity of opinions, democratically elected governments, and a civil society that helps keep government power in check. OSF helps to shape public policies that assure greater fairness in political, legal, and economic systems, and safeguard fundamental rights. It implements initiatives to advance justice, education, public health, and independent media. It builds alliances across borders and continents on issues such as corruption and freedom of information. Working in every part of the world, the Open Society Foundations place a high priority on protecting and improving the lives of people in marginalized communities. The Open Society Foundations believe in fundamental human rights, dignity, and the rule of law; in a society where all people are free to participate fully in civic, economic, and cultural life; in addressing inequalities that cut across multiple lines, including race, class, gender, sexual orientation, and citizenship; in holding those in power accountable for their actions and in increasing the power of historically excluded groups; in helping people and communities press for change on their own behalf; in responding quickly and flexibly to the most critical threats to open society; in taking on controversial issues and supporting bold, innovative solutions that address root causes and advance systemic change; and in encouraging critical debate and respecting diverse opinions.



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## CONFERENCE VENUE

### KEMPINSKI HOTEL CORVINUS BUDAPEST

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### CONFERENCE ROOM

Regina Ball Room, Function (1st) Floor  
Registration in front of the conference room.  
Welcome packs available upon registration.



### Wi-Fi

Complimentary high speed Internet connection is available in all rooms and public areas of the hotel.

- "KEMPINSKI\_PUBLIC" – available on the First and Ground Floor (public areas).
- "KEMPINSKI" – available in the whole hotel. To use this service, select the Wi-Fi network, start any browser program and use your room number and your last name to connect to the service.



### BUFFET LUNCH

Lunch will be served in ES Bistro on the Ground Floor.  
Lunch time is indicated in the conference program.



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