ICWA LETTERS

The Institute of Current World Affairs
THE CRANE-ROGERS FOUNDATION
4 West Wheelock Street
Hanover, New Hampshire 03755

CPB-9 1997
EUROPE/RUSSIA

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Romanian Reform: The First 200 Days

Part II: The Economy

BUDAPEST, Hungary June 1997

By Christopher P. Ball

This report gives an overview of the major achievements of President Emil Constantinescu's CDR (Romanian Democratic Convention) government in economic policy. The CDR government measures its progress in 200-day segments. So do I. The genesis of this report was actually my own attempt to make sense of the changes taking place at lightning speed in Romania. This became increasingly important as I spent more time dealing with local issues and changes. Local economic issues in Romania are best (or perhaps only) understood in the context of country-wide change.[1]

Although the new government is referred to as the CDR government, the CDR itself is actually a center-right alliance of democratic parties. It is made up of the National Liberal Party, the Party of Romanian Alternative, the National Peasant Party, the Christian Democrats and the Romanian Ecologist Party. The government, while led by the CDR, is actually a coalition government that includes the Romanian Hungarian Democratic Alliance (RMDSZ) and the Social Democratic Union (USD). The CDR is by far the largest coalition partner, holding approximately 30 percent of the seats in the Romanian Parliament.[2]

It is only fair to warn the reader at the outset that I have been impressed and pleased with the new government; this report cannot help but be biased in that direction. It should also be remembered that this is a young government, not yet a year in power. Things could take a turn for the worse. If things keep on their current track, however, I believe there is good reason to be hopeful for a much brighter future in Romania.

THE ROMANIAN ECONOMY BEFORE 1989

Even before the breakup of the communist bloc, most countries in Central and Eastern Europe realized that centrally-planned economies were not sustainable. They began to modify their national economic systems, finding ways to let market forces ensure that supplies (like food) reached those who demanded them. Intellectual economic reform in Hungary, for example, had already begun by

[1] Most of my information on the specific changes in Romania comes from the Hungarian newspapers, *Népszabadság*, *Világgazdaság* and *Magyar Hírlap* as well as from the on-line service OMRI Daily Digest and RFE/RL Newsline. Special thanks should also go to the Office of the Hungarian Prime Minister and Hungarian State Secretary Dr. Csaba Tabajdi for supplying me with a great deal of facts, figure and other information. Any opinions expressed herein are of course my own.

[2] The RMDSZ has approximately 6.5% of the seats in Parliament and the USD, approximately 13% of the seats.

1954, in the form of papers by economist György Péter.[3] Practical, although still minor, reform (mostly in agriculture) began in 1956-57. In 1968, however, Hungary made a major leap from a planned economy to a market-socialist one (market socialism equaled social ownership plus market coordination). This was followed by further reforms in 1979 and through the 1980s.[4] Thus, by the 1980s most East-bloc countries had mixed economic systems, part centrally- and part market-based.

Romania's dictator, Nicolae Ceausescu, headed in the opposite direction. When the Romanian economy began to exhibit serious problems (mass shortages, rapidly declining savings and money holdings, etc.) in the late 1960s, Ceausescu actually intensified central planning.[5] He did this to such an extent that by the mid-eighties the Romanian economy was nearing the point of crisis and even had to reintroduce bread rationing.

Romania's dictator seemed to have an almost religious belief not only in the feasibility of his version of Marxism, but also in the centrally-planned economy itself. The text of a speech he delivered in July 1974 exemplifies his feelings on the subject:

> "To give everyone the freedom of spending society's money on whatever, and however it might strike one's mind—this is not possible. We have a planned economy. Nobody has the right to build or produce what is not provided for by the Plan."[6]

Since Ceausescu was such an adamant believer in the planned-economy system, it will be sufficient here merely to explain some of the problems common to all centrally-planned economies. A centrally-planned economy[7] is best thought of as a pyramid. At the highest level are the planners. With some input from manufacturing firms (the base of the pyramid), they make a yearly plan that is a huge matrix, balancing inputs and outputs for the entire economy. The inputs and outputs must always be in equilibrium (*i.e.* perfectly balanced). Then the plan is issued. Once issued, it is disaggregated as it travels down through the pyramid and its various layers of bureaucracy until it reaches the individual state-owned firm. The plan is mandatory.

Output and input targets are set for each firm. The firm must then strive to achieve them. By offering rewards (both monetary and other) to those meeting and exceeding their targets, the planners attempt to create an incentive structure to keep the economy functioning, meeting its targets and even growing.

In reality, state-owned firm managers corrupted the process from the very beginning, lying to the authorities by underestimating their firms' production capacities and thereby getting lower targets. They could meet and exceed these targets easily, thus reaping rewards designed as incentives without actually increasing production as much as the planners intended. Once the authorities learned this, there evolved a system where firm managers bargained for lower output targets (and higher input targets), while lying about production capacity in general. The authorities pushed for higher output targets (and lower input targets). The process was termed "plan bargaining."

Communist command economies were characterized by extreme rigidity. Even in the best case, a firm having supply problems had to wait a full year for the next plan, then bargain with (or simply bribe) the authorities, hoping that they would agree to the firm's suggestions for modification. Not only were inputs and outputs set from above, prices were set the same way, and were completely arbitrary.

It is easy to see why Romania, having largely kept its command economy until the end of Ceausescu's reign,

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[3] This is only five years after "Communism" officially began in Hungary with the 1949 Constitution and only six years after the Hungarian Worker's Party finally consolidated its power in June 1948. For more on Hungary's particular reforms see: Kornai, János. *Vision and Reality, Market and State: Contradictions and Dilemmas Revisited.* Routledge, 1990.

[4] While most countries, like Hungary, modified their centrally-planned economies in the face of massive shortcomings, each did so at its own pace. Yugoslavia, for example, centrally planned its economy from only 1945-48; by 1965 it had a full-fledged market-socialist economy. Poland, on the other hand, made minor modifications in the mid-1950s and underwent substantial change only in 1982.

[5] Apologists may be tempted to point out that Ceausescu developed "regional bases" (régies autonomes), which were an attempt to decentralize economic control. Far from decentralizing the system, the regional bases were used to enforce compliance with central planning.

[6] Demekas, Dimitri G. and Khan, Mohsin S., "The Romanian Economic Reform Program," IMF Occasional Paper 89, Washington D.C.: International Monetary Fund, November 1991. p. 4.

[7] Theoretically, a centrally-planned economy does not require a communist government. For example, the United States had a centrally-planned economy during the two World Wars, although it was only a slight deviation from our normal market-based system. A command economy is necessary, however under a Communist political system. Under communism, the planners were almost always Party members. The Party ran politics through a dictatorial government, the economy through a centrally-planned system and society through the secret police.

was in such need of reform in 1989. The economy was characterized by shortages, completely arbitrary prices, forced full employment[8] (causing massive distortions and inefficiency) and rigidity. It functioned to the extent it did because it was enforced by Romanian politico-military power. An OECD report stated it this way:

> "...under the Ceausescu regime planning was hyper-centralized in the hands of the ruling family, and political repression increased... The only positive aspect was that foreign debt was repaid ahead of schedule, leaving the county debt-free, but poor."[9]

THE PERIOD FROM 1989-1996

In 1989, this poor but debt-free country had one of the bloodiest "revolutions" in the region. Many were killed by the Securitate (Romanian secret police) and hundreds more were wounded. Dictator Nicolae Ceausescu and his co-ruling wife, Elena, were caught, quickly tried by a Romanian military court and sentenced to death. Their execution was subsequently broadcast on Romanian TV.

A new government, led by Ion Iliescu, took control only days after the revolution began. It was self-appointed, but initially enjoyed much popular support. Its immediate goal was to restore the fallen standard of living. A number of populist measures were initially introduced and hope was in the air. In many ways it is best to conceptualize the first six years of post-Ceausescu Romania as an attempt to reach the same level of development and economic-system mix its neighbors had already reached.[10]

By 1996 the economy had undergone limited but insufficient structural reform. It left centrally-planned rigidity behind, but the reformers did not fully overcome their strong paternalistic instincts. They neglected reform in some vital areas, like privatization and the freeing of prices. In the end private-sector production had grown to only 50 percent of Romanian GDP, and even that was due more to the growth of new businesses than to the privatization of older ones. Continued price controls and supervision left the role of prices in resource allocation very weak and distorted key sectors of the economy (for example, the energy sector).[11] On the inflation front, Romania struggled for the first four post-revolution years (1990-1994) to get its dangerously high inflation (initially around 150-200 percent) under control, which it finally managed to do by early 1994.[12] This unraveled in 1996, however, when the government couldn't resist loosening the purse strings during an election year.

The Romanian economy in 1996 resembled the 1989 economies of other countries in the East-Central European region (namely, Hungary, Poland and Czechoslovakia). It was mixed, somewhere between central planning and a distorted market-based system, but was neither. Prices were still not determined by market forces, wages were declining and the state sector still constituted approximately 50 percent of GDP. To illustrate how far Romania still had to go, we need only notice that in 1996, 30 percent of Romanian farms (with agriculture constituting the second largest sector of the Romanian economy) still relied on horse or oxen power.[13]

Up to this point I have not mentioned political-civil changes, but feel it important to make a few comments before turning to the economic policies of the new government. Ceausescu maintained one of the harshest dictatorships in the world. He consolidated control in the hands of his family and the Securitate infiltrated nearly every aspect of every citizen's life. Human and other rights were virtually unheard of.

To be fair, much of this changed after 1989. President Iliescu (1990-1996) was a communist and only a moderate reformer, and some Romanians[14] have told me that *nothing* improved after Ceausescu's death, and some things got worse. This is a gross exaggeration. Human

[8] Forced full employment is another common feature of command economies not discussed above.

[9] Romania: An Economic Assessment," *Center for Co-operation with European Economies in Transition*, OECD, Paris. 1993, pp. 12-13. Also note that Ceausescu paid off his country's international debt because he was mad at the USA for canceling Most Favored Nation Status for Romania. He wanted to be financially independent of the Western capitalists as a matter of pride and spite.

[10] By 1989, in countries like Hungary and Yugoslavia where reform began the earliest, the economic system had evolved into one of market and bureaucratic control. This path of development is the one down which Romania went between 1989 and 1996.

[11] "Romania: An Economic Assessment." *Center for Co-operation with European Economies in Transition*, OECD, Paris. 1993, pp. 11-17.

[12] This was achieved by sharply raising interest rates to positive real rates and modifying the exchange-rate policy. See: Balcerowicz, Leszek. *Socialism, Capitalism, Transformation*. Central European University Press, 1995. p. 186.

[13] "A Survey of Romania", *Business Central Europe*, July / August 1997, Vol. 5, No. 43, p.40.

[14] Usually pensioners who suffer from high inflation and an inadequate indexing of their pensions expressed this opinion. Younger people (under 25-30 years of age) who don't remember the past as well as the older generation have, however, expressed this opinion on occasion as well.

and other rights from 1990-1996 were recognized on paper if not always in practice. The Parliament was democratically elected with a tolerable level of manipulation[15] and Romania drafted a new constitution. The Securitate lost much of its power and seems to have been split into at least nine different divisions under different ministries.[16] It still operates, but it does so in a much less direct manner than it did under Ceausescu.[17]

Generally speaking, people were (and are) much more free than before. They could leave their country and return within reason (there were still restrictions at the borders, but not usually on the Romanian side). They could express their opinions publicly and generally began to live normal lives without fear. This, it must be conceded, was a Romania very different than the one under Ceausescu, though still far from ideal.

THE NEW GOVERNMENT (NOVEMBER 1996 - JUNE 1997)

We now focus our attention on the first 200 days of the new government of the Democratic Convention of Romania (CDR). I feel the best way to think of their policies and overall aims is as either attempts to catch up with the other emerging democracies in the region or, as Vladimir Tismaneanu, a Romanian political thinker and associate professor at University of Maryland's Department of Government and Politics, would have us think:

> "... [this] electoral revolution meant to put an end to the creeping restoration engineered by Ion Iliescu and his supporters and *revitalize the country's search for an open society.*"[18]

Confronted with a mess — rising inflation, declining wages, still-arbitrary pricing mechanisms, declining federal reserves — the new CDR government placed economic reform high on its agenda. Most instrumental in carrying out the reforms has been Prime Minister Victor Ciorbea, former union leader (1989 - June 1996) and Mayor of Bucharest (June-November 1996). The shock-therapy package introduced on 17 February 1997 was even named the "Ciorbea Package" after him. After initial weeks of forming a governing coalition and appointing ministers, the CDR-led government announced reform in some areas before introducing a comprehensive reform package. The earliest reform announcements came in mid-December, 1996. On 1 January 1997, fuel (including gasoline) prices doubled, railway transportation prices doubled and food prices were raised. To ease the burden of the transition, Prime Minister Ciorbea promised tax cuts on both profits and individual salaries.

Unlike reforms begun in 1990, which were largely 'home-made,' Prime Minister Ciorbea met extensively with the World Bank and European Union (EU) — as well as with Romanian trade unions — before drafting a new economic reform program for Romania. Soon after the discussions the EU's Foreign Affairs Commissioner, Hans van der Brook, recommended that the EU release $80 million in aid, which had been blocked under President Iliescu (see below), and a further $640 million in support for social relief during the transition.

During the same period, the CDR government, after evaluating the economic situation, was forced to admit that the situation was worse than expected. Inflation was higher than officially reported and the budget deficit was five to six times higher than had been approved by the International Monetary Fund (IMF)[19] in 1996. As a result, on February 5th, the government announced that it could allow salaries to be indexed at only 75 percent of the rise in costs of living[20] and would have to delay the promised tax cuts, but would raise the minimum taxable monthly salary from $16 to $32. Under union pressure, the government also agreed to raise union wages 30 percent.[21] Finally, only days before the announcement of the

[15] This is a disputable point, however, since the opposition parties were physically threatened and their offices occasionally burned during the 1992 elections. Just how free and fair these elections were will always be a dispute. My point is simply that the fact that we can discuss them as elections at all in a sensible way, distinguishes them from anything that occurred during Ceausescu's regime.

[16] Ionescu, Dan. "UM 0215: A Controversial Intelligence Service in Romania." *Radio Free Europe/Radio Liberty Research Report.* Vol. 3, No. 30. 29 July 1994. p.24.

[17] This may not be completely true for the period 1990-1993 where the Securitate played an actively coercive role in many areas of society and may even have orchestrated the bloody Tirgu-Mures anti-Hungarian pogrom in 1990, in which at least three persons died and 269 were injured, according to official figures.

[18] Tismaneanu, Vladimir. "Tenuous Pluralism in the Post-Ceausescu Era," *Transition.* vol. 2, no. 26, 27 December 1996. p. 6. Note: My italicized emphasis.

[19] The IMF, as an international organization that largely aids countries in the financial and monetary areas, has strict requirements for countries that expect to receive its support. These usually include cutting the government budget and keeping it below some pre-set level while simultaneously tightening monetary policy. In this case, Romania had failed on both accounts and for this reason IMF loans were delayed.

[20] To index a wage usually means to tie it to inflation (or, here, the change in costs of living). Thus, when prices rise 100% (that is, 100% inflation) wages automatically rise 100% as well. Here, the wage index is only 75% of the rise in the costs of living, Thus, if the cost of living rises 100%, wages go up only 75%. Workers effectively loose 25% of the real value of their wage under this system.

'Ciorbea Package,' the government passed a new law allowing foreign companies to buy land in Romania. The hope was that this would encourage direct foreign investment, which had reached a total of only $2.2 billion in Romania since 1989.

The 'Ciorbea Package' was a shock in every sense of the word. On top of the price rises on January 1st, all prices were to be liberalized[22] immediately — with the exception of bread for those below the poverty level[23] (mostly pensioners and unemployed persons) and heating-price hikes, which were delayed until May 1st. A few examples show the severity of this reform: *the following morning* telecommunication prices jumped 100 percent, electricity prices 500 percent, railway ticket prices 80 percent (on top of the January doubling), and gasoline and diesel prices 50 percent (also on top of the January doubling). If we remember that liberalization is a process of normalizing prices, this reveals just how distorted the prices in Romania were.

The package slated 3,600 state-owned companies (about 62 percent of total state wealth) for privatization in 1997 and stated that all major loss makers were to be closed or auctioned off as soon as possible. Pursuant to this, on 18 April Ciorbea's 'black list' was approved by the government. The list contained 10 state-owned loss-making companies (accounting for 7.5 percent of Romania's total government deficit) to be privatized or liquidated immediately. All of Romania's banks were also to be privatized, although more gradually and subject to the following restrictions: The state would keep a 10 percent stake in each bank and limit any one person's control to 5 percent and any one company's to 20 percent.

Based on the projected effects of reform, on 17 February the government announced that it expected unemployment to reach 8 percent by year's end and inflation to fall from 90 percent to 30 percent over the same period. On 27 May Prime Minister Ciorbea revised these estimates. According to the modified estimates, he expected inflation (already at 90 percent) to reach 110 percent by the year's end, unemployment for 1997 to reach 10.3 percent and then drop to 8.7 percent by the year 2000, and, finally, the current 4.5 percent budget deficit to drop to 2.5 percent of GDP over the 1998-2000 period. This was the Prime Minister's last major forecast during the first 200 days.

To ease the transitional pain, the government agreed to raise the minimum wage 60 percent (prior to indexing) and devote 10 percent of the GDP to social support. This followed negotiations with the IMF, which not only approved the plan, but also agreed to support the social programs with a $400 million grant. By the end of the year, total foreign aid — most of it for social programs, industrial restructuring, agricultural support, environmental protection and road construction and repair — is expected to total $1 billion. Of that support, approximately $145 million will come from "G-24 countries," an international group of IMF donor countries that joined together in 1989 to help transitioning nations in Central and Eastern Europe. In addition to this, three countries and one city have offered support on a bilateral level: $50 million from Japan, $50 million from Switzerland, $4 million from Sweden, and $177 million in credit from Tokyo granted to the Transportation Ministry for container-terminal and road improvement. To complete the list of foreign aid (either grants or favorable loans) agreed upon in the first 200 days, we must include $625 million from the World Bank and $543 million ($61 million of that designated to help Romania cover its trade deficit) from the European Bank for Reconstruction and Development (EBRD).

The 'Ciorbea Package' and the subsequent international support for Romanian reform seems to have helped in attracting foreign investment. In the first quarter of 1997, foreign investment grew 35 percent over the previous year. The government then continued to push reform legislation through parliament and drum up international support. In addition to releasing the "black list" of state-owned companies marked for privatization, the government began restructuring the national airline (TAROM), pushed a foreign-ownership bill through Parliament, passed a bank-privatization bill, and passed two major ordinances (subject to later approval by Parliament). The first privatized all companies owned by the national government within three months and firms owned by local governments within one year. The second offered tax and other advantages to foreign investors. Finally, the government passed a bill restoring much of the agricultural land nationalized by the Communists to its original owners.

Finally, the new government signed several bilateral free-trade agreements and joined the multilateral Central European Free Trade Agreement (effective 1 July 1997).

Economic packages are not enough if reform is truly to take root. Knowing this, the new government began the first serious post-Communist battle against corrup-

[21] I am assuming this meant an immediate raise *of* 30% which would then be subject to annual 75% indexing, but have not been able to confirm that.

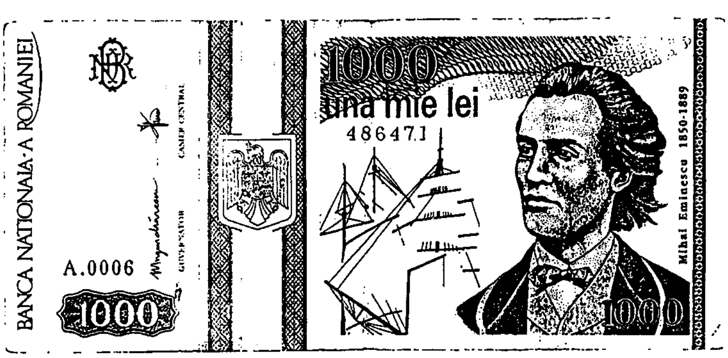
[22] To liberalize prices means to free them from government control, thus allowing them to be determined by the market. When this is not done, prices are set arbitrarily.

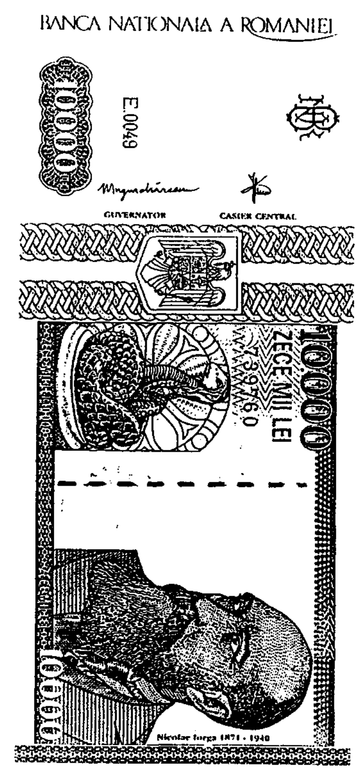
[23] "By World Bank reckoning, 22% of the population (most of them in the countryside) lived in poverty in 1994..." Source: "A Survey of Romania," Business Central *Europe*, July / August 1997, Vol. 5, No. 43, p.46.

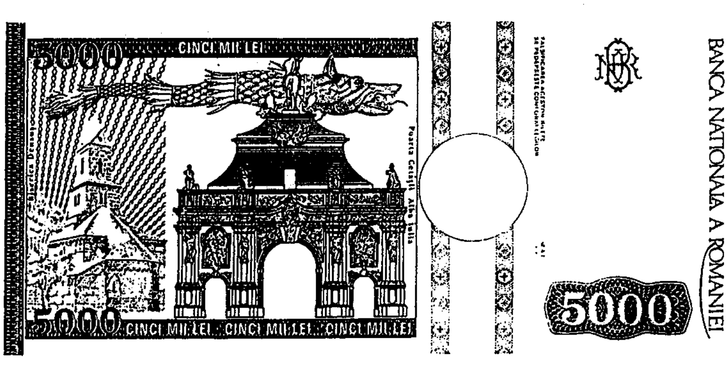
tion and organized crime in Romania.[24] Here, President Constantinescu took center stage. He began on 7 January by announcing an attack on corruption and organized crime, which, he said, pose a direct threat to national security[25] and proposed the creation of a national council to deal with the problem. He meant what he said. A councilor in the Bucharest Mayor's Office was detained on bribery charges. The national head of the Romanian Police Force was replaced. Twenty generals and other high-ranking police officers were replaced. A bank director came under investigation for abuse of office. Three former senior bank officials and one businessman were sentenced to prison for fraud and forgery. A former Defense Minister (1990-1991) came under investigation for fraud. The list is not complete, but should be sufficient to establish that the government is serious in its battle against corruption.

As you might expect, not everyone has been happy about the changes. Labor unions mobilized in an effort to get the government to ease up on both the speed and depth of its reform, as well as to raise wages. The first protest took place on 20 March when energy workers protested privatization plans and the proposed restructuring of the energy sector. They asked for the resignation of the government, new labor contracts and higher salaries. That protest was followed by truck drivers, miners, agricultural workers and even judges (although judges, by law, are forbidden to strike). The protests subsided by summer, and did not seriously disturb progress. This was perhaps because Prime Minister Ciorbea, drawing on his years of experience as a union leader, personally negotiated with union leaders. He also made one populist, anti-union statement to the press that those hurt the worst by the reforms (*i.e.* the homeless, the children, the unemployed and the pensioners) are not the loudest (*i.e.* not the union workers with jobs protesting on the streets and in front of cameras). This was a clever appeal to Romania's non-striking, but still struggling, population. The government has remained extremely popular through out all of these changes.[26]

The 200-day results? A remarkable beginning, with remarkable results. The long-range proof, however, will come in the second 200 days — and the third, and the fourth. ❑







24 It will be recalled from my two-part report on the elections that corruption ranked highest among complaints of foreign investors in Romania.

25 *OMRI DAILY DIGEST*. No. 6, Part II, 9 January 1997.

26 An opinion poll in June found that 70% of the population is prepared to endure hardship to push the Romanian economy towards the market. Source: "A Survey of Romania." *Business Central Europe*. July/August 1997. p. 40.

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Fellows and their Activities

Adam Smith Albion. A former research associate at the Institute for EastWest Studies at Prague in the Czech Republic, Adam is studying and writing about the republics of Central Asia, and their importance as actors within and without the former Soviet bloc. A Harvard graduate (1988; History), Adam has completed the first year of a two-year M. Litt. Degree in Russian/East European history and languages at Oxford University. [EUROPE/RUSSIA]

Christopher P. Ball. An economist, Chris Ball holds a B.A. from the University of Alabama in Huntsville and attended the 1992 International Summer School at the London School of Economics. He studied Hungarian for two years in Budapest while serving as Project Director for the Hungarian Atlantic Council. As an Institute Fellow, he is studying and writing about Hungarian minorities in the former Soviet-bloc nations of East and Central Europe. [EUROPE/RUSSIA]

Chenoa Egawa. An enrolled member of the Lummi Indian Nation, Chenoa is spending two years living among mesoAmerican Indians, studying successful and not-so-successful cooperative organizations designed to help the Indians market their manufactures, agricultural products and crafts without relying on middlemen. A former trade specialist for the American Indian Trade and Development Council of the Pacific Northwest, Chenoa's B.A. is in International Business and Spanish from the University of Washington in Seattle.[THE AMERICAS]

Marc Michaelson. A program manager for Save the Children in The Gambia, Marc has moved across Africa to the Horn, there to assess nation-building in Eritrea and Ethiopia, and (conditions permitting) availing and unavailing humanitarian efforts in northern Somalia and southern Sudan. With a B.A. in political science from Tufts, a year of non-degree study at the London School of Economics and a Master's in International Peace Studies from Notre Dame, he describes his postgraduate years as "seven years' experience in international development programming and peace research." [sub-SAHARA]

Randi Movich. The current John Miller Musser Memorial Forest & Society Fellow, Randi is spending two years in Guinea, West Africa, studying and writing about the ways in which indigenous women use forest resources for reproductive health. With a B.A. in biology from the University of California at Santa Cruz and a Master of Science degree in Forest Resources from the University of Idaho, Randi is building on two years' experience as a Peace Corps agroforestry extension agent in the same region of Guinea where she will be living as a Fellow with her husband, Jeff Fields — also the holder of an Idaho Master's in Forest Resources. [sub-SAHARA]

John B. Robinson. A 1991 Harvard graduate with a certificate of proficiency from the Institute of KiSwahili in Zanzibar, John spent two years as an English teacher in Tanzania. He received a Master's degree in Creative Writing from Brown University in 1995. He and his wife Delphine, a French oceanographer, are spending two years in Madagascar with their two young sons, Nicolas and Rowland, where he will be writing about varied aspects of the island-nation's struggle to survive industrial and natural-resource exploitation and the effects of a rapidly swelling population. [sub-SAHARA]

Daniel B. Wright. A sinologist with a Master's Degree in International Relations from the Nitze School of Advanced International Studies of the Johns Hopkins University, Dan's fellowship immerses him in southwest China's Guizhou Province, where he, his journalist-wife Shou Guowei, and their two children (Margaret and Jon) will base themselves for two years in the city of Duyun. Previously a specialist on Asian and Chinese affairs for the Washington consulting firm of Andreae, Vick & Associates, Dan also studied Chinese literature at Beijing University and holds a Master of Divinity degree from Fuller Theological Seminary of Pasadena, California. [EAST ASIA]

Teresa C. Yates. A former member of the American Civil Liberties Union's national task force on the workplace, Teresa is spending two years in South Africa observing and reporting on the efforts of the Mandela government to reform the national land-tenure system. A Vassar graduate with a juris doctor from the University of Cincinnati College of Law, Teresa had an internship at the Centre for Applied Legal Studies in Johannesburg in 1991 and 1992, studying the feasibility of including social and economic rights in the new South African constitution. [sub-SAHARA]

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Author:	Ball, Christopher P.
Title:	ICWA Letters - Europe/Russia
ISSN:	1083-4273
Imprint:	Institute of Current World Affairs, Hanover, NH
Material Type:	Serial
Language:	English
Frequency:	Monthly
Other Regions:	East Asia; Mideast/North Africa; SubSaharan Africa; South Asia; The Americas

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ICWA LETTERS

ISSN 1083-4273

ICWA Letters are published by the Institute of Current World Affairs Inc., a 501(c)(3) exempt operating foundation incorporated in New York State with offices located at 4 West Wheelock Street, Hanover, NH 03755.

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