

Contents

<i>List of Figures</i>	vii
<i>List of Tables</i>	viii
<i>Acknowledgments</i>	xi
<i>Notes on the Contributors</i>	xii
<i>Foreword</i>	xiv
1 Introduction: From Government Allocation to Market Adjustment <i>Mariko Watanabe</i>	1
Part I Macro Performance: How has the Government Affected Macro Performance?	25
2 Macroeconomic Stability and Seigniorage for Fiscal Revenue: East Asia versus Eastern Europe and the CIS <i>Koichiro Kimura</i>	27
3 The Effects of Changes of Policy Tool during the Transition Period in China <i>Masahiro Kodama</i>	57
4 The Inter-Provincial Capital Flows during the Transition Period of China <i>Shinichi Watanabe</i>	69
Part II Micro Agents: Transformation of the Behavioral Principle	81
Trade Credit, Financing and Enforcement Institutions	83
5 Trade Credit and Imperfect Enforcement <i>Noriyuki Yanagawa</i>	85
6 Trade Credits and Chinese Law <i>Osamu Takamizawa</i>	97
7 Determinants of Trade Credits in China: An Empirical Investigation <i>Seiro Ito</i>	109

8	Determinants of Debt, Bank Loan, Trade Credit of Private Firms in the Transition Period: The Case of Myanmar <i>Fumiharu Mieno</i>	146
	Savings and Lending Decisions and the State	177
9	Household Savings Decisions and Institutional Development: The Case of Rural Households in China <i>Hisatoshi Hoken</i>	179
10	Repression of the Banking Sector in the Transition to a Market-Based Economy: The Case of Vietnam <i>Koji Kubo</i>	208
	Corporate Governance under State Dominant Ownership	227
11	Improving Corporate Governance and Regulations on Power Abuse by Controlling Shareholder in China <i>Jianlong Zhou</i>	229
12	The State as an “Expropriating” Concentrated Owner in China <i>Mariko Watanabe</i>	245
	<i>Index</i>	280

List of Figures

1.1	Fiscal expenditure (as percentage of GDP)	5
1.2	Fiscal revenue (as percentage of GDP)	6
1.3	Fiscal deficit (as percentage of GDP)	6
1.4	Investment by ownership for China (as percentage of GDP)	7
1.5	Investment by ownership for Vietnam (as percentage of GDP)	8
1.6	Investment by ownership in Myanmar (as percentage of GDP)	9
4.1	Investment rate vs saving rate, 28 regions, 1952–1984	73
4.2	Investment rate vs saving rate 31 regions, 1985–2002	75
4.3	Saving retention coefficient	76
9.1	Change of I–S balance since 1978	182
9.2	Composition of household financial assets since 1992	184
9.3	Change of financial asset composition in rural households since 1986	185
10.1	Plots of the loan growth rates (SOCBs)	219
10.2	Plots of the loan growth rates (JSBs and joint-venture banks)	219
12.1	The richer the region, the wealthier the government	249
12.2	Channels of “expropriation”	256

List of Tables

1.1	Banking sector reform for Asian transition economies	10
2.1	A list of transition countries	29
2.2	Rate of real GDP Change over previous years	32
2.3	GNP per capita, 1991	34
2.4	Rate of CPI change over previous year	36
2.5	Ratio of fiscal surplus to GDP	37
2.6	Reserve ratio	38
2.7	Seigniorage	40
2.8	Interest rates spread between lending and deposits	41
2.9	Real deposit interest rate	42
2.10	Revenue from financial system	45
2.11	Summary of data	48
2.12	Determinants of inflation with a model of fixed effects by country	49
2.13	Determinants of inflation with area dummy variables	50
2.14	Determinants of inflation with coefficient dummy variables for the four areas	51
2.15	Determinants of inflation using coefficient dummy variables for the six areas	53
3.1	ADF tests for G and Y	62
3.2	LA-VAR tests	62
3.3	ADF tests for M, y and P	64
3.4	LA-VAR tests	65
3.5	Cointegration among M, y and P	66
5.1	Have you ever failed in collecting sales payment?	92
5.2	Do you agree that government will resolve inter-firm conflicts?	93
5.3	Local bias in execution of judgment?	93
5.4a	Ratio of payment timings, 2003 – Yibin, Sichuan	94
5.4b	Ratio of payment timing, 2001 – Yichang, Hubei	94
7.1	Distribution of total assets, 2001	112
7.2	Definition of ownership types of sampled firms	112
7.3	Definition of variables used in regression	114
7.4	Descriptive statistics of sales transactions	116
7.5	Descriptive statistics of procurement transactions	117

7.6	Prepayments/sales, postpayments/sales, and net borrowing between various ownership types	118
7.7	Prepayments/procurement, postpayments/procurement, and net borrowing between various ownership types	120
7.8	P-values of t-tests on equality in group means of postpayments	122
7.9	P-values of t-tests on equality in group means of postpayments to government-owned firms	123
7.10	P-values of t-tests on equality in group means of days	123
7.11	P-values of t-tests on equality in group means of days to government-owned firms	123
7.12	Estimation of trade credits	126
7.13	Estimation of trade credits with bank-related variables	131
A7.1	W-FGLS-SUR estimation of trade credits (with a global intercept)	140
A7.2	FGL-SUR estimation of trade credits (with a global estimation)	143
8.1	Major macroeconomic indicators	148
8.2	Main items of private bank balance	148
8.3	Capital structure of sample firms	151
8.4	Fund raising for capital	153
8.5	Method of fund raising for equipment investment and working capital	155
8.6	Distribution of samples on product transformation	156
8.7	Situation of the deferred payments	157
8.8	Share of the deferred payments in total transactions with the largest customers	159
8.9	"Interest rate" in trade credits with the largest customer	159
8.10	Share of deferred payments in total transactions with the largest traders procurement	160
8.11	Estimation results of the debt ratio	165
8.12	Estimation results of bank borrowing	166
8.13	Estimation results of trade credits (deferred payments/total assets)	170
8.14	Estimation results of trade credits ("deferred payments/total transaction" with the largest traders)	171
9.1	Structure of asset holdings on RCFPO households	186
9.2	Characteristics of sample villages	189
9.3	Composition of asset holdings for sample villages	191
9.4	Change of financial assets for sample villages	192
9.5	Number of RCC service stations by village	193

9.6	Basic statistics for sample data	196
9.7	Result of regression on income	199
9.8	Estimation results for the portfolio selection model (service station dummy)	201
9.9	Estimation results for portfolio selection model (vintage)	203
10.1	Selected indicators of the deposit money banks in Vietnam, 1990–2003	211
10.2	Distribution of bank credit, 1989–2002	213
10.3	Overdue loans of deposit money banks, 1989–2002	215
10.4	Estimation results	221
A10.1	List of banks	225
12.1	Characteristics of ultra controllers	246
12.2	Characteristics of ownership structure: international comparison	247
12.3	Performance of all listed companies in China	248
12.4	Financial status of Jinan Qingqi Motorcycle, 1998–2003	251
12.5	Dual-class ownership	255
12.6	Expropriation via account receivables	263
12.7	“Expropriation” channels	266
12.8	Ultimate owner’s type: via account receivables	269
12.9	By municipal governments (as ultimate owner): via account receivables	272
A12.1	Summary of descriptive statistics	277