

THE CONTEST OF PARADIGMS IN THE CHINESE AND RUSSIAN MARKET REFORMS: INFORMATION ECONOMICS VS. NEOCLASSICAL ECONOMICS

Elena Kulikov, College of Business Administration and Public Policy, California State University Dominguez Hills, 1000 E. Victoria Street, Carson, CA 90747, 310-243-2615, ekulikov@csudh.edu

ABSTRACT

The transition from centrally planned to market-based economies represented a crucial experiment regarding the relative merits of different economic schools of thought, paradigms, and research programs. The new information paradigm applied in China was much more successful than the "Washington Consensus" that was based on the old neoclassical paradigm and applied in Russia. It became clear that markets cannot be efficient without a role for the government. Pitting market against government became an outdated dichotomy. Public administration, government regulations and intervention, and social institutions impact the efficiency of markets. The new information economics is important for the future of public administration.