Notes from the Chair

As the spring semester gets under way, we are settling in our new suite of offices in Stephens Hall. ISEEES had a makeover during the winter vacation with repainting and waxing of the floors. Everyone at ISEEES has pitched in to make the move a success, and now that we are in adjacent offices, we are enjoying the benefits of propinquity!

We have several major events planned for the coming months. On February 16–17, we are cosponsoring the annual conference of Soyuz, a research network for post-Socialist cultural studies (http://www.csuchico.edu/anth/soyuz/). Founded in 1993, Soyuz brings together anthropologists and other social scientists who work in our area. Rachael Stryker, a Ph.D. candidate in the anthropology department, was the organizer of the event and did a splendid job.

The XXVth Annual Berkeley-Stanford Conference will be held on March 9 at the Alumni House on the Berkeley campus. “Memories, Generations, and Life Histories in the Making of Post-Communism” will bring together scholars from many different departments at Berkeley and Stanford to consider three themes: (1) how conceptions of the past are shaping the present in post-Communist societies and how the present is shaping reconstructions of the past; (2) the impact of generational cohorts and inter-generational conflicts on individual orientations and practices under post-Communism; and (3) individual experiences and life trajectories in the making of post-Communism. (See the conference program on page 6 of this newsletter.) We hope that you will join us for what promises to be an exceptionally stimulating conference.

Planning for our new program, CCAsP, is moving ahead briskly with the support and advice of a new Advisory Committee consisting of Stephan Astourian (William Saroyan Visiting Professor in Armenian Studies); Guitty Azarpay (professor emeritus, Department of Near Eastern Studies, and a specialist on Near Eastern and Central Asian art); Johanna Nichols (professor, Department of Slavic Languages and Literatures, and a specialist on the
languages and cultures of the North Caucasus, including Chechnya); Leslie Peirce (associate professor, Department of Near Eastern Studies, and a specialist on Ottoman history); Harsha Ram (assistant professor, Department of Slavic Languages and Literatures, and a specialist on Russian imperial literature and Eurasianism); David Stronach (professor, Department of Near Eastern Studies, and an archaeologist who has worked extensively in Dagestan and Central Asia); Barbara Voytek (executive director of ISEEES); Edward W. Walker (executive director of BPS); and myself.

The program for our Annual Teachers Outreach Conference, which will take place this year on April 28–29, is nearly complete. The conference, entitled “The Former Soviet Union Ten Years After the Collapse,” will provide an update on the Soviet successor states for secondary and higher education teachers, and more generally for colleagues, students, and members of the community. Following the pattern of last year’s highly effective conference on East Europe ten years after the fall of the Berlin Wall, this year’s conference takes a close look at the Baltic states, the Caucasus, Central Asia, Russia, Siberia, and Ukraine. We have been able to gather a distinguished group of specialists for the conference, including Masha Lipman, Deputy Editor-in-Chief of Itogi, who will be coming from Moscow. We are asking each speaker to give a broad overview of developments in a particular state/region over the past decade and to assess the future potential and direction for change.

We are very pleased to welcome Professor Gérard Roland to ISEEES and the Berkeley campus. Professor Roland received his Ph.D. in economics (on the Soviet economic system) at the Université Libre de Bruxelles in 1988. Prior to his arrival at UCB, he taught in the economics department at the Université Libre de Bruxelles. Professor Roland has also been associated over the past decade with the London School of Economics, Stanford University, and the University of Michigan Business School. He has also served as editor of the journal Economics of Transition since 1998. His most recent book, Transition and Economics: Politics, Markets, and Firms, was published by MIT Press. Professor Roland is a great addition to our distinguished faculty.

Finally, I would like to invite you to visit our wonderful new Web site, http://socrates.berkeley.edu/~iseees, which provides a great deal of information about upcoming events, research, and outreach activities, as well as many useful links to sites dealing with our region. We are all grateful to Stella Bourgoin for designing an informative and accessible site that greatly improves our ability to keep the community informed of developments at the Institute and elsewhere. And we of course welcome your comments on the site and suggestions for additional improvements.

Victoria E. Bonnell
Director, Institute of Slavic, East European, and Eurasian Studies
Professor, Department of Sociology

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Spring 2001 Courses

Selected Faculty Course Offerings and Selected Area-Related Courses

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<tr>
<th>Course Code</th>
<th>Title</th>
<th>Instructor</th>
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<tr>
<td>Anthropology 128:2</td>
<td>Practice in the Archaeological Sixth Grade After-School Program</td>
<td>R. Tringham</td>
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<td>Anthropology 134B</td>
<td>Multimedia in Archaeology: European Archaeology</td>
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<td>Narrative Folklore</td>
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<td>Anthropology 260</td>
<td>Estonian and Finnish Folkloristics</td>
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<td>Comparative Literature 100:2</td>
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<td>N. Ruttenburg</td>
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<td>Comparative Literature 170:4 (Slavic 146)</td>
<td>East/West Encounters: “Quest and Conquest”</td>
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<td>Comparative Literature 252</td>
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<td>N. Ruttenburg</td>
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<td>Dramatic Art 10:5</td>
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<td>East European Studies 100</td>
<td>Advanced Hungarian Readings</td>
<td>A. Mihalik</td>
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<tr>
<td>Folklore 250B</td>
<td>Folklore Theory and Techniques</td>
<td>A. Dundes</td>
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Victoria E. Bonnell
Director, Institute of Slavic, East European, and Eurasian Studies
Professor, Department of Sociology
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<td>Modern Europe</td>
<td>T. Brady</td>
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<td>History 100:2</td>
<td>Poles and Others: The Making of Modern Poland</td>
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<td>History 100:6</td>
<td>Modern Diasporas: Transnational Identity and Politics</td>
<td>S. Astourian</td>
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<td>History 101:9</td>
<td>Revolutionary Europe, 1789–1989</td>
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<td>History 103B:4</td>
<td>The Comintern, 1919–1943</td>
<td>S. McMeekin</td>
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<td>History 275B:2</td>
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<td>The United States in the 19th and 20th Centuries</td>
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<td>History 280B:6</td>
<td>Ethnic Relations and Conflicts: Theories and Case Studies</td>
<td>S. Astourian</td>
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<td>History 283</td>
<td>Social Theory for Historians</td>
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<td>International and Area Studies 150:1</td>
<td>Nomads of Eurasia</td>
<td>A. Kunanbaeva</td>
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<td>Geographic Information Sciences in the Humanities</td>
<td>J. Radke</td>
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<td>Law 263.4</td>
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<td>Political Science 2</td>
<td>Introduction to Comparative Literature</td>
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<td>Revolutionary Movements: Marxism and Fascism in East Asia</td>
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<td>Ethnicity, Nationalism, and Ethnopolitics in the USSR and Its Successor States</td>
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<td>Political Science 200</td>
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<td>Political Science 214:3</td>
<td>Marxism: Its Failure in Theory and Practice</td>
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<td>Political Science 249:1</td>
<td>Conceptual Approaches to a Study of Russian Politics</td>
<td>O. Khardkhordin</td>
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<td>Rhetoric 240G:1</td>
<td>Prosecuting Genocide: Trials Before the Rwandan and Bosnian Tribunals</td>
<td>D. Cohen</td>
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<td>Slavic Langs and Lits R5B</td>
<td>Socially Involved: Philosophies of Life and Social Conduct</td>
<td>S. Kerby</td>
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<td>Slavic Langs and Lits 39C</td>
<td>Images of Eastern Europe</td>
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<td>Science Fiction</td>
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<td>Twentieth-Century Russian Literature</td>
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<td>Medieval Russian Culture</td>
<td>V. Zhivov</td>
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<td>The Performing Arts in Twentieth-Century Russia</td>
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<td>Dostoevsky +</td>
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<td>Poles and Others: The Making of Modern Poland</td>
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<td>Introduction to Descriptive Grammar of Slavic Languages</td>
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<td>Slavic Langs and Lits 280:3</td>
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<td>Sociology 119</td>
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<td>Sociology 190:1</td>
<td>Sociology of Everyday Life</td>
<td>V. Bonnell</td>
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**Language Instruction:**
In addition to the listings above, the Department of Slavic Languages and Literatures offers language courses in Bulgarian, Czech, Hungarian, Polish, Russian, and Serbian/Croatian.

*CSEES Newsletter Spring 2001 / 3*
“Trading Children for Childhood”
Deciphering Modes of Exchange in Russia’s State-Run Orphanages

Rachael Stryker

Rachael Stryker is a Ph.D. candidate in the Department of Anthropology and an affiliated graduate student of the Berkeley Program in Soviet and Post-Soviet Studies. This article is part of her larger dissertation project on the ways in which anthropological theory and method can be used to inform and improve international and domestic adoption processes.

In her 1992 ethnography, Death Without Weeping, Nancy Scheper-Hughes investigates the effects of a dilapidated local economy on the emotional health of a favela (slum), on the Alto De Cruzeiro of Brazil. What she finds there is interesting to those who seek to theorize about “ground-level” economic practices world-wide: Scheper-Hughes found that in this community, economic deprivation resulted in a particular “political economy of emotions” in which less maternal attachment, and thus less “mothering,” took place. Scarcity of resources and the need to survive resulted in the creation of myths which supported a dichotomy between “children meant to live” and “children allowed to die,” which in turn produced a culturally sanctioned maternal neglect of infants and infant death in the community. Scheper-Hughes’ discovery—that what was thought to be a maternal “instinct” could actually be shaped and/or negated by thriving or poor economic conditions—challenged the traditional Western-based view of the “good mother” personality type as biological, natural, and therefore stable and universal.

Although Scheper-Hughes’ acute observations are usually cited as important for the work of gender theorists, her work can also impact current research on economics. The relationship and the mutual influence of emotions and exchange practices are among those that traditional economic studies often neglect. In this paper, I am inspired by Scheper-Hughes to explore my own research inside the emotionally charged international adoption pipeline between Russia and the U.S. to understand the mutual influence of emotions and exchange practices there. Particularly, I use my observations in state-run institutions of the practices of Russian adoption workers and American adoptive parents as they negotiate with one another and influence one another in the exchange of abandoned children for money, and I do so to demonstrate that it is possible to weaken the rigid stereotypes of command economy practices (bribery, theft) versus market economy practices (following the rules of supply and demand). Initially, I’ll highlight the differing approaches of Americans and Russians to the exchange of the children, but then switch gears to present how, ultimately, Russians and Americans find a common ground on which to justify the exchange by agreeing to “trade children for childhood” in ways that subvert the official rhetoric of economics at the micro-level. I conclude by considering how this example of the mutually influential relationship between emotions and economics has larger implications for the study of Russia’s economy at the macro-level.

Baby Brokering or Saving the Children?

The relationship between Russia and the U.S. in the international adoption realm is brief but strong. In 1991, Russia opened its doors for the first time in history to outsiders willing to offer a home to the nation’s abandoned children. Between 1991 and 1999, American couples adopted over 80,000 children from abroad, and of those children adopted, over 20,000 were Russian children. Most American couples who adopt from abroad are upper-middle class, white, and infertile; due to the “shortage” of white infants available in the U.S., the prospect of acquiring a white child is thus what usually draws parents to Russia for adoption. In 1997, Russia officially became the most prolific sending country of adoptees, exporting that year almost 4,000 of their 300,000 available children to America. Since then, the rate of Russian adoptions has increased even further. It is estimated that over 30,000 Russian children will live in the U.S. by next year.

As to be expected, the act of child selling/purchasing is a very contentious issue. For the purposes of this paper, I will talk only about the two primary arguments for and against international adoption. Those who are for international adoption present it as a process refined by charitable and/or philanthropic motivators—it is about opening your heart to a child to give that child a chance at a happy life. It is therefore the ultimate act of almsgiving. Those who are against it, or who are even doubtful about its usefulness, are usually so because of what they see as its inherently selfish motivators—prioritizing greed for money and power over the health and lives of children. In both arguments, the question of whether to approach the
transaction of children as purely economic or purely emotional is at the core. Are we ‘social’ beings who are truly concerned with the health and status of abandoned children? Or are we ‘economic’ beings who will purchase—and thus, possibly trade in or discard—a human being like any other commercial good? In other words, are we saving children or brokering babies?

The rhetoric of international adoption—posed here as “are we saving the children or brokering babies?—is usually grafted onto the Russian-American situation in such a way that many Americans perceive themselves as “saving the children” and Russians as “baby brokers” (corrupt members of a society that thrives through bribery and “greasing palms”) and Russians perceive themselves as “saving the children” and Americans as the “baby brokers” (rich Americans who think they can buy anything if they just bring enough money and goods). Why these stereotypes prevail became obvious to me this past summer while living in an orphanage in Ulyanovsk, Russia. During this time, I had the opportunity to work with and observe a group of some ten American couples that came as a group to the orphanage to adopt several children, ranging in age from 9 months to 14 years. Upon arrival, all ten couples had bags and suitcases full of clothes, toys, and medical supplies for the orphanage. “Gifts” and “donations” were the words that were unanimously used to describe the goods. But—in the Maussian tradition—within days, it became obvious that the donations and gifts the parents had brought had an expectation of reciprocity attached to them. Those parents who were staying at the orphanage as they waited for their paperwork to clear in the local courts often asked orphanage staff to perform various services for them, such as sneaking them into the nursery to see their child after hours, or to make sure that the child they were adopting would get “better” care during his or her last few days in the orphanage. They asked staff to make special appointments with medical personnel or tried to “place dibs” on infants who would become adoptable within the next few months. In many cases, these requests were rebuffed by the staff and rarely without a smirk. This left most of the American couples critiquing the way the orphanage was managed and left them questioning the staff’s commitment to the children.

On the flip side, the Russian orphanage staff I worked with couldn’t understand why the Americans were so dismayed by their refusal of the parents’ requests. They also did not understand why the Americans were so worried about the fact that most of the donations, gifts, and money they brought were given not to the children, but thrown into storage rooms for some “mysterious” later use or pocketed away by the director. A case in point was an episode over money that one couple, Jan and Paul DeMarco, had donated to the orphanage for toys. They had sent the money over to Russia with a friend a few months before and had received a letter from the director of the orphanage announcing that she had purchased a bicycle with the funds for the older kids to use. When Jan arrived at the orphanage, she told me that she very much wanted to see the bicycle and the enjoyment it brought to the children. Together we went to see the bicycle outside the on-site school at the orphanage. Later in the day, I saw Marina, one of the orphanage staff, and I told her that I had seen the bicycle that the director had purchased with the DeMarco’s donation. “Oh, the bike,” Marina said, and she rolled her eyes. I told her I didn’t understand. “The bike!” she said, and she was truly exasperated. “There is only one! And it the same one that Masha shows to every parent who comes to look for what their money has bought.”

A few days later, the news about the bike had somehow spread among the parents. This created a serious uproar among them. According to Carol, one parent from California, this proved that corruption had swept the nation. According to her husband Paul, it was just another example of the poor prioritization of the Russians. Yet, when I spoke to Masha about it, she was unapologetic and felt that nothing wrong had been done. “So what? The children are taken care of,” she said. “And they all share that bike. Look at them, they are having fun with it.” Unfortunately, the attitude created an even thicker atmosphere of distrust and second-guessing. As Jerry Belle, a prospective father from Florida said, “If she lied about that, then what else have they been lying to us about?”

**Shifting Exchanges: Trading Children for Childhood**

How can we as social scientists possibly analyze this situation to make sense of it? In his book *The Gift Relationship*, an excellent socioeconomic analysis of the global blood market, Richard Titmuss describes how such a situation, in which a marketable good is infused with moral value at the same time that a moral value is infused with a marketable good, is an example of “opportunities for altruism in opposition to the possessive egoism of the marketplace.” This is a complex situation, affords Titmuss, and so to explain how it is ultimately carried off continued on page 23
XXVth Annual Berkeley-Stanford Conference

Memories, Generations, and Life Histories
In the Making of Post-Communism

Friday, March 9, 2001
Toll Room, Alumni House
University of California, Berkeley

9:30 a.m.  Opening Remarks
Victoria E. Bonnell, University of California, Berkeley

10 a.m.—12 noon  Panel I: Memories
Chair: Reginald E. Zelnik, University of California, Berkeley

Gil Eyal, University of California, Berkeley
"Trauma, Recovery, and Post-Communism"

Norman Naimark, Stanford University
"Uses and Abuses of Memory as Related to Genocide and Ethnic Cleansing"

Irina Paperno, University of California, Berkeley
"The History of Yesterday: Recent Accounts of the Soviet Experience"

12 noon – 1 p.m.  Lunch Break

1 p.m.—3 p.m.  Panel II: Generations
Chair: Olga Matich, University of California, Berkeley

Oksana Bulgakowa, Stanford University
"Nikita Mikhalkov and the Transformation of the Cinematic Imagination"

Yuri Slezkine, University of California, Berkeley
"Jews and the Soviet Intelligentsia"

Gregory Freidin, Stanford University
"Eternity and After in Kibirov’s Poetry and Pelevin’s Generation P"

3:15 p.m.—5:15 p.m.  Panel III: Life Histories
Chair: Andrew Janos, University of California, Berkeley

Michael Burawoy, University of California, Berkeley
"Life Histories in Syktyvkar"

George W. Breslauer, University of California, Berkeley
"Gorbachev and Yeltsin: Life Histories Compared"

Tomek Grabowski, University of California, Berkeley
"Time versus Place as the Basis of Self-Identity: Life Histories of Polish Local Politicians"

5:15 p.m.  Closing Remarks
Nancy S. Kollmann, Stanford University

This conference is sponsored by the Institute of Slavic, East European, and Eurasian Studies at the University of California, Berkeley and the Center for Russian and East European Studies at Stanford University.

http://socrates.berkeley.edu/~isees/berk-stan.html
Lessons from the 1998 Russian Financial Crisis

Galina B. Hale

Galina B. Hale is a Ph.D. candidate in the Department of Economics and an affiliated graduate student of the Berkeley Program in Soviet and Post-Soviet Studies. The topic of her dissertation is “International Capital Flows to Emerging Markets.” The research for this paper was partly funded by a BPS Summer Research Grant in 1999. Comments may be sent to galina@econ.berkeley.edu.

1. Introduction

On August 17, 1998, Russia announced the float of the Ruble (after two years of successful “crawling peg”) and the restructuring of its debt maturing before January 1, 1999. Later in the fall of 1998, Russia restructured more of its debt, defaulted on some part of it, and imposed currency controls. Interest rates were over 100% in the fall of 1998, banks were failing, and prices were growing uncontrollably. Over the fall of 1998 real personal income fell by 15%, unemployment increased, and the rate of growth of real GDP became negative again. What had triggered the crisis? Was it a result of Russian domestic problems or contagion from East Asian countries? Shall we fear the repetition of the crisis in 2003 when a large portion of Russian foreign debt matures?

While all economists seem to agree that Russia would have had financial problems sooner or later, there is a controversy as to whether the Russian crisis in August 1998 was exacerbated by the contagion from East Asia. While most Russian economists seem to blame the East Asian crisis, very few western economists share this view. Despite this disagreement, there has not been a systematic analysis of this issue. This paper seeks the answers to these questions by analyzing potential channels of financial contagion from East Asian countries to Russia. My finding is that none of the channels were represented strongly enough to blame Russian crisis solely on contagion. Instead, I show that Russian domestic problems led to the crisis.

The existing theoretical literature on the channels of contagion concentrates around two main ways of the contagion transmission: via trade and via capital flows. I analyze empirically the existence of both of these channels between East Asia and Russia. After concluding that neither of the channels was present between Russia and in a way that will explain the Russian financial crisis, I turn to Russian domestic problems.

The analysis of Russian economic development in 1995–98 shows that the main reason for the crisis was the accumulation of budget deficits and poor government debt management. These two factors led to a debt crisis which in turn provoked the currency crash and enhanced the banking crisis. These lessons are important for Russia to learn in order to avoid the repetition of financial crisis in the future.

2. Was it a contagion?

Throughout this paper, the term contagion is used in the same sense as in Eichengreen, Rose, and Wyplosz:…an increase in the probability of a speculative attack on the domestic currency which stems not from domestic “fundamentals” such as money and output but from the existence of a (not necessarily successful) speculative attack elsewhere in the world.

If we look at Russian fundamentals in 1994–98, they do not show the signs of an approaching crisis. The inflation rate was at the low level of 10% in 1997 and 5.39% in annual terms in the first half of 1998 (see Figure 1) and the output showed the signs of growth. Therefore it is reasonable to ask the question of whether the Russian crisis resulted from the spread of the East Asian contagion, which might seem plausible given the timing of the Russian crisis.

I will consider two channels of contagion: the trade links between the source of contagion and the “infected”,

Figure 1. Monthly percentage change in Russian CPI.
and a change of the investors’ behavior in one country’s market as a result of the crisis in another country’s market.

**Trade channel**

There are two ways in which the crisis in one country can spread to another through trade. First and more obvious is bilateral trade between two countries. Second is the effect of the changes in the foreign trade of the crisis country on the trade of another. Both of these channels are considered in this section.

**Bilateral trade**

Bilateral trade is the obvious way for contagion to spread across countries. The crash of the currency of Country A will increase that country’s exports, which in turn increases imports by its trade partner, Country B. Thus, Country B will develop a current account deficit that will put downward pressure on its currency price. If the exchange rate is pegged, Country B’s Central Bank will start loosing its reserves and the currency will eventually crash. Gerlach and Smets present a two-country version of Krugman’s classic speculative attack model that combines the scenario described above with a monetary sphere and shows that trade contagion makes currency crises possible even in a country with an otherwise sustainable domestic policy. The reason for such a country to be subject to a crisis is the depletion of its reserves due to the increase in its imports.

In 1997 imports from East Asia to Russia accounted for only 3.28% of total Russian imports and did not increase after July 1997. Therefore, the East Asian crisis was unlikely to create significant trade deficit to put enough downward pressure on the Russian Ruble.

**Competition on the world markets**

Another way for contagion to spread is through competition on the world markets. The crisis in Country A will make its exports more competitive due to domestic currency depreciation. If Country B is exporting goods similar to those of Country A, it will suffer either from the decline in the export prices or from the decrease of its market share. This will result in the decrease of Country B’s export revenues and, therefore, a decrease in foreign currency inflow into Country B, causing pressure on its currency and the depletion of its foreign reserves.

In this case, we indeed observe a decline in Russian exports. As shown on Figure 2, it started even before the East Asian crisis, in January 1997. Oil and natural gas make up about 30% of Russian exports, and the world price of oil fell in January–May 1997 by 27% from $23 per barrel to $17 per barrel and then again in November 1997–March 1998 by 45% from $19 per barrel to $11 per barrel. As a result, Russian trade balance decreased and became negative for the first time in June 1998.

However, the effect of the East Asian crisis on oil prices is unclear. The crisis in East Asia could have definitely contributed to the decrease in the demand for oil, but probably a more significant factor is the 10% increase of the oil export quota by OPEC. OPEC countries expected higher demand for oil, and their main goal in increasing the quotas was to increase OPEC market share. However, there was no increase in the demand for oil for two reasons: the East Asian crisis prevented the usual growth of Asian oil demand, and two unusually warm winters decreased world demand for oil. Therefore, this dependence of the Russian economy on a single world price is rather a Russian domestic problem than the result of contagion.

**Financial channel**

Apart from the trade channel, crisis can spread from one country to another through financial markets. Like bilateral trade in goods, bilateral trade in assets would clearly spread the contagion. However, there was no significant trade in assets between Russia and East Asia directly. Indirectly, crisis in one country can spill over to another through investor’s behavior. If, as a result of crisis in one country, international investors sell (or refuse to purchase) assets of another country, this can increase the cost of foreign and domestic debt and restrict the second country’s access to international capital, thus leading to financial crisis.

There are two ways in which crisis in one country can provoke investors to withdraw money from another. First, Russia is a part of the emerging markets group, and international investors might be worried that financial crisis in one country can hit other emerging markets as well or that authorities in the other countries will impose capital controls to protect their countries from the crisis.
This created the expectations of devaluation that can lead to a speculative attack. Second, consider hedge funds that had their money in East Asian countries. When crisis hit Asia, hedge funds lost their money there (because of default or currency devaluation) and had to sell some of their assets to satisfy margin calls. In need for cash to cover the margins, hedge funds liquidated their most risky assets first—those of other emerging markets, in particular Russia—since they had to maintain a certain ratio of risky assets and because they reassessed the risks as mentioned above.

Both of these reasons would drive the price of Russian assets down and the interest rates up, so that the debt service would become a harder and harder burden on Russia. Also, as international investors sell Russian assets, they put downward pressure on the Ruble that drives down Central Bank international reserves if it tries to maintain the peg and can eventually cause a currency crisis. If this story is true, we would be able to trace it in the data.

In what follows I look for the signs of financial contagion in two ways. First, I investigate whether the availability, cost, and maturity of international bonds for Russian public and private borrowers were affected by the East Asian crisis. I then look at the effect of the news from East Asia on the cost of Russian government domestic bonds that were also sold to foreign investors.

### Availability, cost, and maturity of Russian international bonds

Using a large data set that includes the data on international bonds and macroeconomic characteristics for 83 non-OECD countries, we can estimate a model that includes equations for the probability of the issue, cost, and maturity of international bonds for the period before the East Asian crisis. We can then use the estimates to construct the forecast for the probability of bond issue, its cost and maturity for Russian borrowers as of June 1997, just before the East Asian crisis, and compare them with actual issuance, cost, and maturity of Russian bonds after the East Asian crisis. The results are reported in Table 1.

If the East Asian crisis had indeed a harmful effect on Russian external borrowing, we would observe lower than predicted probability of bond issue, higher than predicted spreads and lower than predicted maturities, since the effects of the East Asian crisis were not accounted for in the estimation used for constructing the predictions. As Table 1 shows, we observe higher issuance and lower spreads, indicating that there were no contagion effects after the East Asian crisis on the availability and cost of international capital for Russian borrowers. There was a slight decrease in maturities, but it was not persistent.

What is interesting is that closer to the Russian crisis (in the second and third quarters of 1998), the spreads actually exceeded predicted spreads indicating the change in the perception by international investors of the risk of Russian assets. The issuance and maturities also fell in the third quarter of 1998 when the crisis in Russia occurred. Again, this observation indicates that the crisis in Russia was more likely the result of Russian domestic problems than contagion from East Asian countries.

### Cost of Russian government bonds

If crises in East Asian countries made international investors sell Russian assets (in particular, Russian government debt instruments), we would see a negative effect of “bad news” from East Asia on the price of Russian debt instruments. To perform a test, I consider the price index of Russian Federal Loan Bonds (OFZ) and the news from Asia.

For the OFZ price index I use Bloomberg daily data from January 1, 1997 to August 15, 1998. I then consider a change in the price index as a dependent variable; it appears to be stationary. My explanatory variables are dummy variables for bad news from East Asia of the same day and one day old; dummy variables for bad news from other foreign countries (for example, Greenspan’s expectations and drops in the Dow Jones index); and dummy variables for domestic bad and good news.

I consider a full sample as well as the sample from January 1, 1997 to July 12, 1998. On July 13, 1998, 22.6

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Actual-predicted probability of bond issue (%)</th>
<th>Actual predicted spread over risk-free rate (basis points)</th>
<th>Actual-predicted maturity (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997Q3</td>
<td>60</td>
<td>-268</td>
<td>-0.51</td>
</tr>
<tr>
<td>1997Q4</td>
<td>53</td>
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<td>1998Q1</td>
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<tr>
<td>1998Q2</td>
<td>35</td>
<td>78</td>
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</tr>
<tr>
<td>1998Q3</td>
<td>7</td>
<td>33</td>
<td>-2.13</td>
</tr>
</tbody>
</table>

Table 1. Forecast errors for issuance, cost, and maturity of Russian bonds

continued on page 19

CSEES Newsletter Spring 2001 / 9
“The Former Soviet Union Ten Years After the Collapse”

Saturday–Sunday, April 28–29, 2001
Alumni House, UC Berkeley campus

Geared specifically toward teachers, the conference will focus this year on the successor states and regions of the former Soviet Union: the Baltics, Belarus, the Caucasus, Central Asia, Russia, Siberia, and Ukraine. A broad overview of developments in a particular state/region over the past decade will cover:

- New phenomena and continuities with the past;
- Progress toward the attainment of peace and prosperity;
- The importance of religion, national identity, geopolitics, economic reform, and/or political institutions in the adaptation to a post-Communist world.

Registration will be required. Teachers on our mailing list will receive a direct mailing about the conference. The schedule, registration form, and other conference materials will be posted on our Web site at http://socrates.berkeley.edu/~csees/outreach.html

The program will include one and a half days of talks, and teaching materials will be provided. Speakers at the conference will be in attendance throughout the weekend and will be available to answer questions after the lectures. A wine and cheese reception on Saturday evening will provide the opportunity for informal discussion, and Sunday morning will include a special discussion session with the conference presenters.

Teachers are entitled to a reduced registration fee of $25 or two teachers for $25 providing one has never attended our annual teachers outreach conference before. Included in the registration fees are: continental breakfast and box lunches both days; the Saturday evening reception; and teaching materials.

This conference is made possible by a grant from the US Department of Education to the Center for Slavic and East European Studies at UC Berkeley.
Outreach Programs

Teaching Resources on Kosovo

The **New York Times on the Web’s Learning Network** offers lesson plans for grades 6–12 on current and historical events. Of the many lesson plans on Kosovo, two in particular provide a good overview. “Crisis in Kosovo: U.S. Intervention in Kosovo, A Global History Lesson Plan” was written in October 1998, prior to the NATO air strikes, so it prompts students to debate US involvement in the crisis. “The Uncertain Future of Kosovo: Exploring the Ongoing Peacemaking Process in Kosovo,” from June 1999, allows students to discuss efforts to bring peace to the region, including writing their thoughts on whether the NATO air strike campaign was successful. Related new articles are available through the **New York Times’ Special Index** on Kosovo. Although registration is required to access the index, the on-line subscription is free of charge.

The Learning Network has also created “Kosovo: Bitter Struggle in a Land of Strife,” a site that contains a collection of articles, a timeline, and a map. While this site seems to date from 1999 (for example, Milosevic may still be listed as president in some places), it is a useful supplement to the collection of lesson plans.

“Crisis in Kosovo: U.S. Intervention in Kosovo, A Global History Lesson Plan”

“The Uncertain Future of Kosovo: Exploring the Ongoing Peacemaking Process in Kosovo”

“Kosovo: Bitter Struggle in a Land of Strife”

“Issues in Depth: The Conflict in Kosovo”

The **World Affairs Council of Pittsburgh** has posted high school-level lesson plans from its teacher workshops on its Web site. “The Crisis in Kosovo,” the fourth lesson from its May 2000 workshop entitled “From Global to Local: Causes and Costs of Ethnic Conflict,” is available to download in PDF format. Students are prompted to distinguish between political, social, and economic causes of ethnic conflict in general and to apply these concepts to the crisis in Kosovo. The map of Yugoslavia may not download properly but can be substituted with a map from the **University of Texas’s PCL Map Collection**.

“From Global to Local: Causes and Costs of Ethnic Conflict” – conference description
http://www.worldaffairspittsburgh.org/LessonPlans.html#Ethnic Conflict 2000

“The Crisis in Kosovo” – lesson plan in PDF format
Print out pages 22–30 from the complete set of conference materials.

“Ethnic Majorities in the Former Yugoslavia” Map
http://www.lib.utexas.edu/Libs/PCL/Map_collection/europe/Yugoslav.jpg
This CIA reference map is from 1992.

The **Rice School** in Houston, Texas posts a lesson plan entitled “Bosnia - A Land in Conflict - Keeping the Peace” on its Web site. While it does not relate directly to Kosovo, it can be used as a model for teaching about the conflict to middle school children. Key questions are posed, some student tasks are assigned to explore those questions, and some suggestions for applying students’ research are offered. This lesson plan does not require specific resource materials but gives a general idea about where to find them.

Our Web page of **Teachers’ Links**, which lists Web sources on current events including Kosovo, is a good place to start a search on Kosovo materials. From there, follow the link to our regional resources page for general information on countries, including maps and news.

“Bosnia - A Land in Conflict - Keeping the Peace”
http://outreach.rice.edu/~dgabby/RiceSchool/redcross/bosnia.htm

Our Teacher’s Links page
http://socrates.berkeley.edu/~csees/outreach3.html

CSEES Newsletter Spring 2001 / 11
Marjorie Isabelle Koenig, a member of the Associates of the Slavic Center and a faithful supporter of UC Berkeley, passed away on November 7, 2000 at the age of 82. Marge received a BA in history from UC Berkeley in 1940 and returned to complete an MA in education in 1955. She resided at the International House for many of those years. Marge shared her love for learning through a career in teaching, and she served as a school teacher for 35 years.

Professor George Breslauer fondly remembers Marge, from the eleven years he spent as chair of the Slavic Center, as a most frequent and faithful attender of our events. She regularly attended brown bag talks, our annual teachers outreach and Berkeley-Stanford conferences, and other events. Marge traveled on many of the California Alumni Association’s Bear Treks, including two led by George—a tour along the Danube in 1990 and the White Nights tour of Russia in 1992. George calls Marge “a poster lady for continuing education, wanting to learn new things and to keep learning….a perpetual student as well as a dear, affectionate person. By her constant presence and demeanor, she was perpetual validation of lifelong learning.” Barbara Voytek, Executive Director of ISEEES, recalls their passionate discussions about Prague. Marge was very proud of her Bohemian heritage.

As a faithful supporter of UC Berkeley, Marge joined the Associates of the Slavic Center at its founding and was a member of the California Alumni Association and the Benjamin Ide Wheeler Society.
Stephan Astourian is the William Saroyan Visiting Professor of Armenian Studies this academic year. He is teaching courses on diasporas and ethnic relations and conflicts through the Department of History.

Bryon Bass is a research associate this year at ISEEES. He has a Ph.D. in archaeology from the University of Edinburgh where he wrote his dissertation on the archaeology of Korcula, an island in the Adriatic Sea.

Jasmina Bojic is a visiting lecturer at the Department of Slavic Languages and Literatures this spring. She is teaching Introductory Serbian/Croatian. Dr. Bojic is director and founder of the United Nations Association Film Festival at Stanford University.

Katerina Clark, professor of comparative literature and Slavic languages and literatures at Yale University, is a visiting professor at the Department of Slavic Languages and Literatures this spring. She is teaching courses on the performing arts in 20th-century Russia and Russia in the 1930s.

Jana Grittersova is a visiting scholar this year at ISEEES. She has a Ph.D. in international political economy from the University of Economics in Bratislava, and her specialty is the European Union, its enlargement and expansion into Central Europe.

Natalya Khan, lecturer in history at Tashkent State Institute of Oriental Studies, is a visiting scholar this spring through International and Area Studies. She is conducting research for courses in gender studies under the Faculty Development Fellowship Program sponsored by the USIA and the Open Society Institute (Soros).

Mark Zygmunt Pluciennik, lecturer with the Department of Anthropology at the University of Wales, Lampeter, is a visiting lecturer at the Department of Anthropology this spring. A specialist on the mesolithic-neolithic transition in southern Europe, Dr. Pluciennik is also the director of field survey around the World Heritage site of Butrint in southern Albania.

Arzu Sandugi, professor of English language at the Azerbaijan State Institute of Languages in Baku, is a visiting scholar at International and Area Studies this year. She is conducting research under the Faculty Development Fellowship Program sponsored by the USIA and the Open Society Institute (Soros).

Ulo Valk, professor of Estonian and Comparative Folklore at the University of Tartu, Estonia, is a visiting lecturer at the Department of Anthropology this academic year. He is teaching two courses in folklore, “Comparative Demonology” and “Estonian and Finnish Folkloristics” during the spring semester.

Larissa Novikova, German language instructor at the Institute of Management, Pavlodar, Kazakhstan, is a visiting scholar this spring through International and Area Studies. She is conducting research for courses in gender studies under the Faculty Development Fellowship Program sponsored by the USIA and the Open Society Institute (Soros).
The American Association for the Advancement of Slavic Studies held its 33rd National Convention on November 15–18, 2000 in Arlington, Virginia.

Ronelle Alexander, professor of Slavic languages and literatures, presented “Regional Dialects: Endangered Species or Living Tradition? Evidence from Bulgaria” at the panel on “Language and Identity in the South Slavic Context.”

Zygmunt Ronald Bialkowski, Ph.D. candidate in history, presented a paper entitled “Degeneration, Crime, and the Diseased Body Politic: Dmitrii Dril’ and Russian Criminology” at the panel on “Criminality, Criminology, and Counsel: Legal Culture in Late Imperial Russia.”

George William Breslauer, dean of social sciences and professor of political science, served as participant on the panel “Nine Years after the Collapse of the USSR.”

Anne Clunan, Ph.D. candidate in political science, served as discussant on the panel “Comparative Studies of Foreign Policy in Post-Socialist States.”

John F. Connelly, associate professor of history, presented a paper entitled “Explaining the Durability of East German Communism: The Early Postwar Years” at the panel on “Reassessing the Communist Takeovers in Eastern Europe, 1944–1953.” He also served as discussant on the panel “Protest, Resistance, and Co-Optation: East European Responses to Hegemony in the Twentieth Century.”

Gregory Grossman, professor emeritus of economics, presented a paper entitled “Central Planning and Transition in the American Desert: Latter-Day Saints in Present-Day Sight” at the panel on “Travails of Transition.” He also chaired the panel “Inter-Regional Flow of Financial Resources in Russia.”

Joan Grossman, professor emeritus of Slavic languages and literatures, chaired the panel entitled “Russian Cityscapes.”

Marc Morjé Howard (Ph.D. in political science, 1999) presented a paper entitled “Free Not to Participate: Why Post-Communist Citizens Do Not Join Civil Society Organizations” at the panel on “Imagined Communities: Civil Society and Ethnic Identity in Eastern Europe.”

Anne Hruska, Ph.D. candidate in Slavic languages and literatures, presented a paper entitled “Anna Karenina and the Barriers to Love” at the panel on “Passions in Anna Karenina.”

Kari Johnstone, Ph.D. candidate in political science, presented a paper entitled “The Influence of the OSCE and EU on Minority Policy in Ukraine and Slovakia” at the panel on “Comparative Studies of Foreign Policy in Post-Socialist States.”

Jeffrey Karlsen, Ph.D. candidate in Slavic languages and literatures, presented a paper entitled “Reclaiming Modernity: Advertising under NEP” at the panel on “Modernism and Commerce in Russian Culture of the Early Twentieth Century.”

Brian Kassof (Ph.D. in history, 2000) presented a paper entitled “Selling Knowledge: Bookselling During the 1920s” at the panel on “Social, Economic, and Cultural Dimensions of Soviet Trade (1920s–1930s).”

Konstantine Klioutchkine, Ph.D. candidate in Slavic languages and literatures, presented a paper entitled “Turning Tricks, Baring Devices: Vasilii Razanov’s Career in the Russian Press” at the panel on “Modernism and Commerce in Russian Culture of the Early Twentieth Century.”


Eric Naiman, associate professor of Slavic languages and literatures and comparative literature, presented a paper entitled “Perversion in Pnin” at the panel on Nabokov’s Pnin. He also served as discussant on the panel “Soviet Salvation Narratives.”

Irina Paperno, professor of Slavic languages and literatures, presented a paper entitled “Post-Soviet Accounts of the Soviet Experience” at the panel on “Ten Years After: Soviet Experience through the Post-Soviet Prism.” She also chaired the panel “Personality Cult: Origins, Discourses, Practices.”

Jan Plamper, Ph.D. candidate in history, presented a paper entitled “The Stalin Cult in the Visual Arts” at the panel on “Personality Cult: Origins, Discourses, Practices.”
Harsha Ram, assistant professor of Slavic languages and literatures, chaired the panel “Junctures: Literature, Science, Philosophy.”

Nicholas V. Riasanovsky, Sidney Hellman Ehrman Professor of European History emeritus, chaired the panel “Concepts in Russian Borderlands History.”

Alexei Yurchak, assistant professor of anthropology, presented a paper entitled “Post-Soviet Life of the Last Soviet Generation” at the panel on “Ten Years After: Soviet Experience through the Post-Soviet Prism.”

Reginald Ely Zelnik, professor of history, served as participant in the roundtable on “Workers and Society in Russian History: Teaching Perspectives.”

The American Association of Teachers of Slavic and Eastern European Languages held its Annual Meeting on December 27–30, 2000 in Washington D.C. The following UC Berkeley affiliates participated in panels:

Melissa K. Frazier (Ph.D. in Slavic languages and literatures, 1995) presented a paper “Personae and Personality in the Work of O. I. Senkovskij” at the panel on “Literary Mystification and the Idea of the Author.” She also served as a participant in the forum entitled “Student-Made Videos Based on Nachalo.”

Keith Goeringer (Ph.D. in Slavic languages and literatures, 1998) chaired the panel on “Slavic Contact Linguistics.”

Anne Hruska, Ph.D. candidate in Slavic languages and literatures, presented a paper “Exiles to the Family in Tolstoj’s Resurrection” at the North American Tolstoj Society’s panel.

Lilya Kaganovsky (Ph.D. in Slavic languages and literatures, 2000) presented a paper “The Part to the Whole: Nikolaj Ostrovskij’s (Non-) Autobiographical Novel” at the panel on “Literary Mystification and the Idea of the Author.”

Ruth Rischin (Ph.D. in Slavic languages and literatures, 1993) presented a paper “Once Upon the River Oka-Amur: Maksim Gor’kij and Andrei Makine” at the panel on “Maksim Gor’kij in the 1920s.”

Jonathan Stone, Ph.D. candidate in Slavic languages and literatures, presented “The Wanderlust of a Clerk: Pretenderism in Gogol’s ‘Diary of a Madman’” at the panel on “Petersburg Texts, Petersburg Culture.”


Melissa K. Frazier (Ph.D. in Slavic languages and literatures, 1995) is a professor of Russian in the Department of Modern and Classical Languages and Literature at Sarah Lawrence College.

Victoria Frede, Ph.D. candidate in history, received a Humanities Research Grant to conduct dissertation research this summer. Her research focuses on atheism and irreligion among educated Russians in the nineteenth century.

Lilya Kaganovsky, (Ph.D. in Slavic languages and literatures, 2000) is an assistant professor of Russian at the Department of Modern Languages at the College of William and Mary.

Ann Marie Mitchell, Polish Collections Librarian, traveled to the Frankfurt Book Fair in September 2000, where Poland was the featured country.


Alan Timberlake, professor of Slavic languages and literatures, is a visiting professor at Stanford’s Department of Slavic Languages and Literatures. He is teaching “Introduction to Old Church Slavic” during their Winter 2000-2001 term and “Old Russian and Old Church Slavic” during the Spring 2001 term.

Ruth Tringham, professor of anthropology, received a grant from the Interactive University Project to develop a partnership between the Department of Anthropology, the Archaeological Research Facility, and Oakland middle schools. The project uses multimedia and Internet technologies, as well as hands-on, experiential activities, to teach archaeology to middle school students in Oakland.

Barbara Voytek, executive director of ISEEES, will be the enrichment lecturer for the Bear Trek to Prague and Budapest in May. Bear Treks are a service of the California Alumni Association, providing educationally-oriented travel to the University of California community.

Deborah Yalen, Ph.D. candidate in history, received a Humanities Research Grant to conduct dissertation research this summer. Her research focuses on Jewish social and cultural history in late Imperial Russian and Soviet periods.


Viktor Zhivov, professor of Slavic languages and literatures, is a visiting professor at Stanford Spring 2001 term. He is teaching a course entitled “Literature of Old Rus’ and Medieval Russia” in the Slavic department.
Recent Faculty Publications

Ronelle Alexander, professor, Department of Slavic Languages and Literatures

Intensive Bulgarian: A Textbook and Reference Grammar, Volumes 1 and 2
by Ronelle Alexander, Olga M. Mladenova (Contributor)
Madison: University of Wisconsin Press, 2000

“This is the first comprehensive textbook teaching English-speakers to read, write, and speak contemporary Bulgarian. The text is designed to be adaptable for students of varying skill levels and can be taught at a gradual or intensive pace. It is also a much-needed reference grammar of Bulgarian, incorporating the latest research and theories on Bulgarian grammar in accessible layman’s language.” — http://www.wisc.edu/wisconsinpress/

Michael Burawoy, professor, Department of Sociology

Global Ethnography: Forces, Connections, and Imaginations in a Postmodern World
by Michael Burawoy et al.
ISBN 0-520-22215-6 cloth, 408 pages
ISBN: 0-520-22216-4 paperback, 408 pages
Berkeley: University of California Press, 2000

“In this follow-up to Ethnography Unbound, Michael Burawoy and nine colleagues break the bounds of conventional sociology, to explore the mutual shaping of local struggles and global forces. In contrast to the lofty debates between radical theorists, these nine studies excavate the dynamics and histories of globalization by extending out from the concrete, everyday world.”
— http://www.ucpress.edu/

John Connelly, associate professor, Department of History

Captive University: The Sovietization of East German, Czech, and Polish Higher Education, 1945–1956
by John Connelly
ISBN 0-8078-2555-7 cloth, 456 pages

“This comparative history of the higher education systems in Poland, East Germany, and the Czech lands reveals an unexpected diversity within East European Stalinism. With information gleaned from archives in each of these places, John Connelly offers a valuable case study showing how totalitarian states adapt their policies to the contours of the societies they rule.”
— http://uncpress.unc.edu/
Andrew C. Janos, professor, Department of Political Science

*East Central Europe in the Modern World: The Politics of the Borderlands from Pre- to Postcommunism*
by Andrew C. Janos
ISBN 0-8047-3743-6 cloth, 512 pages

“Combining engaging narrative with analytic power, this book presents the past and present of East Central Europe in the larger context of the political and economic history of the Continent....[T]his book provides a new interpretation of the politics of the region in the modern period. At the same time, it also contributes to the ongoing dialogue among disciplines by attempting to strike a better balance between cultural and economic explanations of conflict, between structural and institutional approaches to politics, and, above all, between intra- and extra-societal forces that shape power and politics in national states.”

—http://www.sup.org/

Gérard Roland, professor, Department of Economics

*Transition and Economics: Politics, Markets, and Firms*
by Gérard Roland
ISBN 0262182033 hardcover, 400 pages
Cambridge, MA: MIT Press, 2000

“The transition from socialism to capitalism in former socialist economies is one of the main economic events of the twentieth century. This book provides an overview of current research, analyzing issues raised by transition for which economic theorists and policy makers had no ready answers. It shows how research on transition contributes to our understanding of capitalism as an economic system and of the dynamics of large-scale institutional change.”

—http://www.mitpress.mit.edu

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**BPS Working Paper Series**

The Berkeley Program in Soviet and Post-Soviet Studies has added a new title to its working paper series:


Funding for the publication of this working paper comes from the National Security Education Program to the Berkeley Program in Soviet and Post-Soviet Studies at UC Berkeley.

A complete list of working paper titles is available at http://socrates.berkeley.edu/~bsp/publications.html. For more information on this series, contact BPS directly at bsp@socrates.berkeley.edu or (510) 643-6737.
billion US dollars was given to Russia in IMF credit. It was at this time that markets recognized officially that Russia had difficulties maintaining the stable exchange rate. Therefore, it was possible that after this time prices of Russian debt were independent of any news except for Russian domestic. The results are reported in Table 2.

As one can see, none of the explanatory variables have a significant coefficient in the full sample regressions. This might be a result of a very noisy dependent variable. However, in the truncated sample, the contemporary domestic bad news has a significant effect on the price of OFZ. Note that the signs of coefficients make sense, since the bad news makes the price of the asset lower as investors are trying to sell it. This implies that the hypothesis that bad news from East Asia caused investors to immediately withdraw their money from Russian government debt instruments can be rejected.15

3. Was it the result of fundamental problems in Russia?

I have considered two possible channels of contagion. Neither seems to be present in any significant way between East Asia and Russia. This implies that there must be a domestic reason (or more than one) for the Russian crisis. I turn now to investigating this question. Since the Russian crisis does not seem to be a result of contagion, we should look more closely at Russian fundamental problems. Although on the surface everything looked good, deep inside economic problems were becoming aggravated.

Although a decline in the industrial output stopped, there was no increase in the investment in production according to the Institute of Economy in Transition (IET), which shows that the improvement of the economic activity was not sustainable. The main reason for low investment in production was a high level of interest rates in the financial markets, that in turn resulted from the necessity of the debt financing of Russia’s budget deficit. Russian budget problems, and poor debt management related to them, are at the core of the Russian crisis.

Table 2. OLS regressions of the percentage change in OFZ price index

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Constant</td>
<td>.01 .02 .04 .05</td>
<td>.00 .02 .04 .04</td>
</tr>
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<td>Bad news in East Asia</td>
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<tr>
<td>Bad news elsewhere</td>
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<td>Bad news in Russia</td>
<td>-.72 -.70</td>
<td>-.66** -.65**</td>
</tr>
<tr>
<td>Good news in Russia</td>
<td>-.07</td>
<td>-.06</td>
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<td>Adjusted R²</td>
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<td>-.00 .02 .04 .03</td>
</tr>
<tr>
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<td>.11 3.36* 3.87** 2.95**</td>
</tr>
<tr>
<td>Number of observations</td>
<td>422 422 422 422</td>
<td>398 398 398 398</td>
</tr>
</tbody>
</table>

Note: lags of all explanatory variables included but not reported here. The coefficients on those have the same sign and significance as the coefficients on the corresponding explanatory variables.

* significant at 10% confidence level;
** significant at 5% confidence level.

Figure 3. Budget expenditures by type. Source: Russian Economic Trends Monthly Updates.
Accumulation of Russian budget deficits during 1993–1997 and the debt crisis

The budget law was always one of the hardest ones to push through the legislative organs. Because of the structure of the Russian Duma, many compromises had to be made in order to have the budget law adopted. This led to a delay in the necessary cuts of the expenditures, given a steady decline in budget revenues. Social expenditures and law enforcement expenditures were growing (see Figure 3). The budget deficit was high for a long time (see Figure 4) and was financed by borrowing at a high interest rate, which in turn increased the debt servicing expenditures. In 1997–98 debt servicing amounted to up to 30% of total budget expenditures, as Figure 3 shows.

Unlike its expenditures, revenues of the Russian budget were declining for a number of reasons. First and most important was the decline in economic activity, which always leads to lower tax revenues. In addition, the enforcement of tax payments was poor and tax legislation imperfect, which led to widespread tax avoidance. Tax avoidance was easier in the conditions of a semi-barter economy where only a part of payments went through the banking system and could be traced by the tax agencies.

The Russian budget deficit was accumulating. Monetary financing of the budget deficit had ended in 1995, and the two remaining ways of financing were the sell-off of state property and borrowing. Revenues from privatization were limited to 5–10% of Russia’s gross financing; therefore, most of the deficit was financed by borrowing.

The lack of the government credibility and the weakness of the financial system required high interest on the debt. Together with low inflation, it led to a very high real interest rate on the GKO/OFZ market. The debt and the interests were paid off by issuing new debt.

Moreover, the government was unable (or unwilling) to issue long-term debt instruments. In 1995–97 the average share of GKO/OFZ in total borrowing by the Federal Government was 72% (see Table 3). The average duration of GKO/OFZ over this period was about 155 days. This shows that most of budget deficit financing was very short-term. As a result, the government had to roll over its debt frequently and thus depended heavily on the markets. When in August 1998 the banks refused to purchase new debt, the default was unavoidable.

According to the Russian Center of Economic Reforms, a governmental agency, in 1998 the Russian government had to spend 1.3 billion US dollars weekly for debt service. Clearly this debt burden was impossible for Russia to bear, given that its total budget revenues in the first half of 1998 amounted to only 21 billion US dollars. If this was the situation in Russia, why did foreigners keep investing in Russia? High interest rates and the currency overvaluation caused by the peg attracted investors. Capital inflows were likely to be magnified by the competition between financial intermediaries. Also, most investors thought of Russia as too-big-to-fail (or too-nuclear-to-fail) and did not believe that the IMF-supported macroeconomic program would end by devaluation, banking crisis, and debt default.

To summarize, the main factors that contributed to Russia’s default on its debt were a large share of short-term debt, high interest rates on it, and the necessity to roll over the debt because of a budget deficit that had accumulated since the early 90s.

Currency crisis

Russia did not have a balance of payments problem. In fact, the foreign reserves were accumulating in 1996–98 on average, due to a positive trade balance that was not completely canceled out by the increase in Russian liabilities (see Figure 2). However, the private sector had most of the currency, and most of the foreign debt was public (private debt was less than 35% of the total Russian foreign debt in 1995–98). The government had to purchase this large quantity of the currency from the private sector. Therefore, the demand for currency increased, pushing its

<table>
<thead>
<tr>
<th>Year</th>
<th>Total borrowing</th>
<th>GKO/OFZ</th>
<th>Share of GKO/OFZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>12.2</td>
<td>7.7</td>
<td>63%</td>
</tr>
<tr>
<td>1996</td>
<td>17.7</td>
<td>14.7</td>
<td>83%</td>
</tr>
<tr>
<td>1997</td>
<td>20.3</td>
<td>17.0</td>
<td>84%</td>
</tr>
</tbody>
</table>

Source: Astapovich et al. (1999) and author’s calculations

Table 3. Borrowing by the Russian Federal Government (%GDP)
price up, but the price was fixed by the crawling peg. The resulting shortage of foreign currency led to a speculative attack and the devaluation of the Ruble because the government’s need to obtain foreign currency contradicted its policy of pegging the exchange rate. When it became clear that defaulting on the debt and devaluation of the Ruble were unavoidable, everyone started to get rid of Russian currency in exchange for foreign currency. This basically was a speculative attack on the exchange rate.

The initial devaluation that doubled the Ruble price of the US dollar was originally planned in such a way that the currency was supposed to be more or less stable after the devaluation (the idea was to bring the exchange rate to a market level). However, what happened in reality was a sharp depreciation of the currency in the following month as shown on Figure 5. Once the peg was abandoned and the default was announced, inflationary expectations increased and led to an increased demand for foreign currency, which put further pressure on the Ruble. The collapse of the financial sector followed the shortage of foreign currency, exacerbating the situation further. As we can see, Russia’s budget deficit and debt accumulations led to a currency crisis that otherwise could have been avoided.

4. Conclusion

The evidence suggests that blaming the Russian financial crisis on East Asian contagion is a superficial view. There were not many possibilities for the East Asian crisis to spill over to Russia, and none of the contagion channels analyzed in this paper seem to have been present between Russia and Asia. Therefore, one should look deeper inside the Russian economy to search for causes of the Russian financial crisis. The analysis of the data suggests that Russian fiscal problems could have contributed to each element of the crisis: the currency crash, the default on the government debt, and the banking crisis.

The reasons for the Russian fiscal problems—its power structure, its legal system, corruption in the legislative and enforcing organs—are beyond the scope of this paper and deserve careful attention from specialists in political science, law, economics, sociology, and psychology.

***

**Banking crisis**

The tendencies of the Russian banking sector were such that the approaching crisis was quite obvious. Figure 6 shows the dynamics of the foreign position of Russian banks. By August 1998, foreign liabilities of Russian banks exceeded their foreign assets by more than 30%. In this situation, the devaluation of the national currency was deadly to the banks that had some foreign liabilities but mostly domestic assets.

The first signs of a banking crisis showed up in May 1998, when Tokobank (one of the top twenty Russian banks) went bankrupt. The Central Bank put itself in the dangerous position of trying to save failing banks. It was providing “liquidity loans” for the banks in trouble and was accepting Russian treasury bills—GKO, on which the Russian government defaulted a couple of months later—as collateral.

Why were the authorities willing to support Russian banks? On a number of occasions, big Russian banks “bailed out” the Russian government by preventing the crash of the GKO market. The ability of the government to roll over GKO debt depended strongly on the participation of top banks in the primary auctions. Authorities, in turn, have shown many times that they were willing to prevent the bankruptcies of the top ten Russian banks.

This suggests that although the Russian banking sector had problems on its own, the need for financing Russia’s budget deficit led to a serious moral hazard problem. Increasing demand for funds from the Central Bank and the currency collapse made the problems in the banking system obvious. But these problems were in part created by poor management of the Russian debt.
I would like to thank Barry Eichengreen, Petra Geraats, Maury Obstfeld, David Romer, and Marcelo Sanchez for helpful comments. I am grateful to Irina Borisova, Arkadij Dvorkovich, Maria Gorban, and Julia Shvetz for help with obtaining the data. A summer research grant from the Berkeley Program in Soviet and Post-Soviet Studies allowed me to gather necessary data and meet with specialists; the New Economic School provided research facilities in Moscow. All mistakes are, of course, mine.

1 Estimate by Business Environment Risk Intelligence.

2 In July 1997, the Thai Baht was successfully attacked. Within a month Malaysia, the Philippines, and Singapore were hit by the crisis, and within the next half a year contagion spread out to Indonesia, Hong Kong, Korea, and Japan. Currency pegs in those countries were abandoned and a depreciation of their currencies followed, accompanied by the crash of their financial systems and a series of macroeconomic problems.


4 Direct as well as indirect via competition on the world markets.


7 East Asia for the purpose of this paper includes Japan, Hong Kong, Indonesia, Korea, Malaysia, the Philippines, Singapore, and Thailand.

8 IMF, Direction of Trade Statistics.

9 In the first half of 1998, the revenues from Russia’s oil exports fell by 25% although the volume of oil exports had increased.

10 According to US EIA, the January–May 1997 price drop resulted from UN Security Council Resolution 986 under which Iraq began to export oil; the November 1997–March 1998 price drop was due to the increase in the world oil supply by 2.25 million barrels per day (mostly due to the increase in the OPEC production ceiling).

11 See N. M. Baikov, “Nearest and medium-term perspectives for oil and gas market development,” Ekonomicheskogo Analiza, 1999. (In Russian), Moscow: Institute of Review of the Russian Economy, 1998. Russian language edition.) suggests that the main Russian problem is a weak budget problems. The first is more commonly held: that the problems can be resolved as soon as the government is able to collect tax revenues in full. Paul Krugman advocates this view. He suggests that the dominance of oligarchy in Russia makes it impossible for the government to enforce tax collection. The second view is that the problem lies on the expenditure side. Egor Gaidar in IET (Review of the Russian Economy, Moscow: Institute of Economy in Transition, November 1998. Russian language edition.) suggests that the main Russian problem is a weak and badly structured power that does not allow for any significant budget cuts.

12 Total debt service of Russian Federal and local budgets amounted to 50% of Russian exports or 10% of Russia’s GDP in the first seven months of 1998. See Astapovich et al. eds., Survey on Economic Policy in Russia in 1998 (in Russian), Moscow: Biuro Ekonomicheskogo Analiza, 1999.


14 Bad and good news are distinguished by the direction of their possible effect on OFZ price index as follows. If the event announced in the news might cause the increase in net demand for Russian assets (and thus lead to the increase in the price index or fall in the yield of the assets), this is considered “good news.” The improvement of Russia’s credit rating, for example, would be considered “good news.” And a dummy variable of Russian good news will be assigned the value of 1 at the date of the announcement of new credit rating. Conversely, if the event announced might decrease the net demand for Russian assets, the news about this event would be considered “bad news.” A sharp decline in the Hong Kong stock index, for example, brings up fears about the crisis spreading to other emerging markets and thus causes investors to sell off Russian assets; such news would be a “bad news.” The dummy variable for bad news in East Asia would be assigned the value of 1 at this date. If there were two or more news items of the same type in the same date, they do not add up. Each dummy variable is binary: either 1 if this particular news occurred or 0 if it did not.

15 This result is robust with respect to adding East Asian interest rates to account for “insider knowledge,” choice of Russian debt instrument, and estimating the effect on spread rather than the effect on the price index.

16 There are two main views on the source of Russian bad news. The first is more commonly held: that the problems can be resolved as soon as the government is able to collect tax revenues in full. Paul Krugman advocates this view. He suggests that the dominance of oligarchy in Russia makes it impossible for the government to enforce tax collection. The second view is that the problem lies on the expenditure side. Egor Gaidar in IET (Review of the Russian Economy, Moscow: Institute of Economy in Transition, November 1998. Russian language edition.) suggests that the main Russian problem is a weak and badly structured power that does not allow for any significant budget cuts.
on a world-wide basis, there is no room for the simple rules of supply and demand. Titmuss urges instead that we push these aside for the moment and attempt through analysis “to fuse the politics of welfare and the morality of individual wills” in order to understand what is truly happening in these types of exchanges. In her latest work on the very macabre world of global traffic in human organs, where body parts are commercialized and commodified, Nancy Scheper-Hughes comes to the same conclusion. In a recent article in *Current Anthropology*, Scheper-Hughes is forced to face the absolutely unsettling nature and lack of sacredness of what Arjun Appadurai calls the “commodity candidacy” of things: “*What is going on here?*” she asks amidst the strange world of surgery, bribery, theft, and grafting. She decides that one simply cannot know until “we look at what lies behind the transplant rhetoric of gifts, altruism, scarcities, and needs.”

Indeed, if we look beyond the rhetoric of grafting, altruism, scarcity, and need, and consider the situation at the Ulyanovsk orphanage, we can make sense of it. For with regard to adoptive parents in the U.S., it is a fact that by the time they pick up their children in Russia, Americans are encouraged to behave like consumers in the process, and they are being taught that money is the key to them getting what they want. The majority of those with whom I had spoken had already spent upwards of $10,000 for the promise of being able to conceive; when that failed, they had then been pummeled by advertisements for adoption agencies promising the perfect doting child; once they had decided to adopt, in their home screening, they were grilled about how much income they had, and this was directly related to whether adoption agencies deemed them worthy of parenthood; and once the adoption was okayed, many of them were encouraged to buy tickets to go to Disneyland with their children or to take them on special cruises for adopting families as soon as the children arrived in America. If necessary—if the adoption “dissolves”—they are also savvy enough to know how to take the path of reconstructing *consumer* law and not family law in their favor.

On the flip side, Russian orphanage staff are grappling with sudden, major demographic shifts in their local communities as well as with changing childcare philosophies with their workplaces. Unemployment, the costs of child rearing, and mortality have increased significantly in the last decade in Russia as fertility rates have declined, and the number of Russians suffering from disease, malnutrition, drug abuse, and crime has also risen considerably since the 1980s. As a result, many Russian children have been abandoned to state-run childcare systems. In 1991, it was reported that over 30,000 children were admitted to such systems. Once admitted to the orphanages, children are cared for by staff who must reconcile the old with the new by trying to run an orphanage that was originally charged with proving the superiority of Russian government, medicine, and psychiatry started under Communism, but with no consistent means of *contemporary* support from any of these communities. Orphanage workers are also faced with the reality that there is very little chance for money to come to the orphanages from these sources in the future because abandoned children are now seen as grave reminders of a failing government and thus stigmatized as “throw-away” children. Thus, more and more orphanage staff are relying on bartering and *blat* circles to acquire the goods, services, and labor they need for the state-run institutions, and more and more, they are forced to seek the available capital, goods, and services of Americans in exchange for the very children they are trying to care for.

In the case of both American parents and Russian orphanage staff, the commodification of children and the emotional reconciliation it requires to do it have taken their toll, and this manifests itself in the exchange practices. Much like the mothers on the Alto De Cruzeiro of Brazil that Scheper-Hughes studied, economic conditions affect the relationships that they have towards children. In this scenario, American adoptive parents are guilty of what I will call an “oversentimentalization” of children. Deprived for so long of their rights to parenthood by infertility and bureaucracy, once in Russia and once they have seen their prospective child(ren), they are now fueled by the overdue fantasy of bringing the children from the public to the private, from the collective to the individual, and from deprivation to indulgence. In this case, it is vital to them that the child they are committed to is the immediate recipient of affection, material goods, and health care because it asserts their roles as parents indefinitely and it asserts their ownership of the child immediately. However, this creates problems when it is brought in opposition to the *indifference* or the *lack* of sentimentalization of children that many Russian staff members must strive to demonstrate in the face of having children removed from the orphanages one by one. For the orphanage staff, the politics of saying good-bye to children on a regular basis is difficult for them, and requires a tact that succeeds not only in helping themselves deal with the loss of the members of their community, but also in helping those children who aren’t being adopted deal with the loss.

The reasons why adoptive parents seem to “over-emote” and orphanage staff “under-emote” during the transacting of children became evident to me during the last days of the ten adoptive couples’ stay at the Ulyanovsk orphanage. A couple of days after the bicycle debacle, Jan DeMarco stepped forward and asked the director of the orphanage if she and some of the staff would meet with her and some of the other parents to talk about what had happened. At the meeting, parents asked why their money hadn’t gone to purchasing toys and bikes for the children as they had been told. The director offered two reasons for why the money had been pocketed. First, a majority of the money never made it to the orphanage; the adoption agency
that the couples were working with had retained it for
“administrative purposes.” Second, the money that was
sent to the orphanage had gone to paying the man who
maintained the plumbing and electricity at the orphanage.
He hadn’t been paid in almost a year. And as for the gifts
and donations that were stacked in storage? The director
explained that some of the things, such as medical supplies
and winter clothes would be disbursed to the children
throughout the year as necessary, but much of it is saved
and traded or bartered for services and other goods that are
more necessary as needs arise. As Svetlana, one woman
who serves as a liaison between parents and orphanages in
Ulyanovsk explained rather poetically, “It is not because
we don’t care about the children. It is a very shameful thing
that we have to do, sell our children. We do not like to do
it. But we do what we can to raise the child until you come
here and give him his childhood.”

After the meeting I spoke with as many parents as I
could about their reactions to what they heard. Many of
them were touched by what they felt was the candidness
they had been searching for, and it cleared their air consider-
ably for them. The Russians I interviewed felt glad to
have had the chance to explain themselves, but also
expressed doubts about what the dialogue had meant for
the orphanage. Would their actions be reported to the
adoption agencies they currently worked with? Would the
constant flow of prospective parents now be stopped?

As it turned out, the results of the dialogue were to the
contrary. During the final days of the trip, parents and staff,
now understanding some of each other’s motivators, spent
much time planning how to exchange goods and money
(from Western church groups and philanthropic organiza-
tions) for the service of dealing with the orphanage
directly in the case of future adoptions, thereby bypassing
the adoption agencies altogether. In effect, this marks an
experimental syncretism of the economic practices
ordinarily identified with the western market economy and
the command economies under Socialism. In this paper, I
have tried to ask original questions to help us
think differently about modes of exchange: What social
indicators, such as the culturally, and thus collectively,
sanctioned emotions of a community, can we as anthro-
pologists pinpoint and explore to answer questions about
economies? What are the various forms of common
language people are developing and speaking in economic
exchanges, and what is motivating them to do so? These
questions are no doubt important for all communities who
are struggling to transition from local to global exchange,
but they seem especially vital for countries like Russia

**Implications for Future Studies on the Russian and
U.S. Economy**

I would like to conclude with some words about how my
observations and research are important for current
economic analyses of Russian-American relations. First of
all, a colleague who read an earlier draft of this paper
asked me: Is this shift in economic exchange happening on
a scale large enough to impact Russian economics at the
macro level? And my answer to that is Yes. As my research
progresses, I am speaking with more and more parents who
are negotiating exchange with adoption staff on what they
themselves understand as a more personal and emotional
level. And more and more, parents in the U.S. and orphan-
age staff in Russia are bypassing U.S. adoption agencies
and the rules, regulations, and moratoriums of the Russian
government to conduct what they are calling “in-house”
adoptions. In other words, for lower prices, and for lower
fees, parents are dealing directly with the orphanage staff
to assess, select, and learn how to parent children without
the government or any professional middle man in the U.S.
taking part. In this scenario, American prospective parents
benefit as they are assured a constant supply of healthy
children and a larger range of consumer choices. Russian
orphanges are benefitting as they receive more goods and
money and have more control over how these are distrib-
uted, either within or outside the orphanage, than they
would otherwise. This economic syncretism between the
two seemingly disparate modes of market economy and
command economy, if it continues unregulated, can create
competition with other more established and capitalistic
modes in the international adoption realm. There is already
much talk in the Immigration and Naturalization Services
circles I’ve studied about this process being regulated in
the future, so this may be evidence that the processes I’ve
described are certainly having an impact at the macro-
level.

In addition to international adoption actors, examining
the relationship between emotions and exchange has
implications for scholars interested in the Russian
globalizing economy because it redirects our questions
from the rigid and familiar definitions imposed by the use
of a command economy versus market economy di-
ichotomy to explain ground-level exchange in Russia. In
this paper, I have tried to ask original questions to help us
think differently about modes of exchange: What social
indicators, such as the culturally, and thus collectively,
sanctioned emotions of a community, can we as anthro-
pologists pinpoint and explore to answer questions about
economies? What are the various forms of common
language people are developing and speaking in economic
exchanges, and what is motivating them to do so? These
questions are no doubt important for all communities who
are struggling to transition from local to global exchange,
where the stakes involved in participating in the global economy—in this case, the lives of children—are so high.

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6. Ibid.

7. The names mentioned in this paper have been changed.


9. Ibid.


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**Recent Publication**

*Remembering a Forgotten War: Civil War in Eastern European Russia and Siberia, 1918–1920*  
by Serge P. Petroff

East European Monographs, No. DLX  
Distributed by Columbia University Press, New York

Using Soviet, Russian émigré, Czech, and Western sources, the book traces the course of the Russian Civil War in Eastern European Russia and Siberia from its inception in May 1918 when the Czechoslovak Legion first raised the flag of rebellion against the Bolshevik regime and plunged Eastern European Russia and Siberia into a massive civil war.

Serge P. Petroff is the son of Paul P. Petroff, a White Army general. A retired American business executive turned historian, Mr. Petroff holds an M.A. degree in history and is an Associate of the Slavic Center.
Upcoming Events

Event are subject to change; for current information on ISEEES events, please call (510) 642-3230. When no one is available to take your call, you may listen to the recorded message that lists our upcoming events.

Through March 31. Exhibit: “International Exchange and the Library.” This exhibit features UC Berkeley Library’s Exchange Program. In the Bernice Layne Brown Exhibit Gallery of Doe Library (near Morrison Library). One display case is dedicated to exchanges with libraries in our region. Sponsored by the staff of the UC Berkeley Library.


Tuesday, March 13. Performance: The Los Angeles Philharmonic will perform Stravinsky, among other works. At Davies Symphony Hall, San Francisco, 8 p.m. Fees: ticket prices vary. Sponsored by the San Francisco Opera. Contact: SF Symphony Box Office, (415) 864-6000.


Friday-Sunday, March 17–19. International Conference: “Between Two Worlds: Semyon Ansky at the Turn of the Century.” At Stanford University; 3/17: Kresge Auditorium, 8 p.m.; 3/18: Cubberly Auditorium, 10:30 a.m.–4:15 p.m., Kresge Auditorium, 4:30–5:30 p.m. and 8 p.m.; 3/19: Oak Lounge, Tressider Union, 8:30 a.m.–6:30 p.m. Sponsored by the Program in Jewish Studies and the Department of Slavic Languages and Literatures at Stanford University. Contact: Slavic department, (650) 723-4438; http://www.stanford.edu/groups/Ansky/ansky.html.


Tuesday, March 20. Public Lecture: Karl Lamberg-Karlovsky, professor of archaeology, Harvard University and curator of Near Eastern archaeology, Peabody Museum of Archaeology and Ethnology, will speak on “Bronze Age Indo-Iranians? From the Eurasian Steppes to the Persian Gulf.” In 370 Dwinelle Hall, 5 p.m. Sponsored by ISEEES, CSEES, the Central Asia/Silk Road Working Group, and the Indo-European Language and Culture Working Group.


Saturday, March 24. Performance: The King Stag, a puppet theater directed by Romanian director, Andrei Serban. At Zellerbach Hall, UC Berkeley campus, 2 p.m. Fees: $24/36/46. Contact: Cal Performances, (510) 642-9988 or http://calperfs.berkeley.edu.

Tuesday, April 3. Public Lecture: Kathryn Hendley, professor of political science and law, University of Wisconsin, will speak on “Going to Court in Russia: A Waste of Time or an Effective Strategy for Russian Businesses?” At the Center for the Study of Law and Society, 2240 Piedmont Ave, 12 noon. Sponsored by ISEEES and the Center for the Study of Law and Society.


Wednesday, April 4. Brown Bag Talk: Alexander Leskov, former head of the Department of Archaeology and Ancient Art, Museum of Oriental Art, Moscow, will speak on “The Caucasus as a Cultural Bridge between the Near East Civilizations and the World of the Nomads.” In 115 Kroeber Hall, 12 noon. Sponsored by ISEEES.

April 5–7. Performance: The San Francisco Symphony Orchestra, featuring Termirkhanov and Tretyakov, will
perform Prokofiev, among other works. At Davies Symphony Hall, San Francisco; 4/5: 2 p.m., 4/6–7: 8 p.m. Fees: ticket prices vary. Contact: SF Symphony Box Office, (415) 864-6000 or http://www.sfsymphony.org/.

April 6–7. Performance: The University Chorus will perform Kodaly and Dvorak, among other works. At Hertz Hall, San Francisco; 4/6–7: 8 p.m. Fees: $2 UCB students; $6 students/seniors/UCB staff and faculty; $8 general. Contact: Ticket Office, (510) 642-9988.

Sunday, April 8. Performance: Russian Chamber Orchestra. At San Anselmo Presbyterian Church, San Anselmo, 5 p.m. Fees: $17 students/seniors, $20 general, children 12 and under are free. Contact: Russian Chamber Orchestra Society, (415) 927-1446 or http://www.russianchamberorch.org.

Monday, April 9. Colloquium: David Bethea, Vilas Professor of Slavic Languages, University of Wisconsin, Madison, will speak on “Pushkin and the Pugachev Rebellion.” In 219 Dwinelle Hall, 4 p.m. Sponsored by ISEEES and the Department of Slavic Languages and Literatures.

Wednesday, April 11. Brown Bag Talk: Matthew Lenoe, professor of Russian history at the University of Arkansas, Little Rock, will be our speaker. In 270 Stephens Hall, 12 noon. Sponsored by ISEEES and CSEES.


Tuesday, April 17. Brown Bag Talk: Marek Zvelebil, professor of archaeology, Department of Archaeology and Prehistory, University of Sheffield, will speak on “Eurasian Shamanism and Hunter-Gatherer Ritual Landscapes: An Archaeological Perspective.” At 12 noon, a campus location will be announced. Sponsored by ISEEES and CSEES.


Saturday–Sunday, April 21–22. Conference: “Central Asia Palimpsest: (Re) Emerging Identities and New Global Imprints.” A schedule and location will be announced. Sponsored by the Institute of International Studies, the Townsend Center for the Humanities, ISEEES, and CCAsP.


Monday, April 30. Public Lecture: Masha Lipman, Deputy Editor-in-Chief of Itogi (Moscow), will speak on “Russian Press and Society under Putin.” At 4:30 p.m.; a Stanford location will be announced. Sponsored by the Department of Slavic Languages and Literatures at Stanford University, (650) 723-4438 or http://www.stanford.edu/dept/slavic/events.htm.


Wednesday, May 2. Public Lecture: Lyudmila Ulitskaya, Russian novelist, will speak on “Women in Contemporary Russian Fiction.” At 5 p.m.; a Stanford location will be announced. Sponsored by the Department of Slavic Languages and Literatures at Stanford University, (650) 723-4438 or http://www.stanford.edu/dept/slavic/events.htm.

Sunday, May 6. Performance: Russian Chamber Orchestra. At St. Stephen’s Episcopal Church, Belvedere, 5 p.m. Fees: $17 students/seniors, $20 general, children 12 and under are free. Contact: Russian Chamber Orchestra Society, (415) 927-1446 or http://www.russianchamberorch.org.

Friday–Saturday, May 11–12. Berkeley-Stanford Film Workshop on Russia in Hollywood. Archival films will be screened. The workshop will take place at Stanford on Friday and at Berkeley on Saturday; a schedule will be announced. Sponsored by ISEEES and the Department of Slavic Languages and Literatures at Stanford University.

Tuesday, May 15. Recital: Maxim Vengerov, Russian violinist. At Davies Symphony Hall, San Francisco, 8 p.m. Fees: ticket prices vary. Contact: SF Symphony Box Office, (415) 864-6000.
The Drago and Danica Kosovac Prize

The Drago and Danica Kosovac Prize is to be awarded for an outstanding thesis (senior or honors thesis) in the social sciences or humanities which researches some aspect of Serbian history or culture. It was established through a donation to the university by Colonel Don Kosovac, one of the Associates of the Slavic Center, in honor of his parents. Although the Drago and Danica Kosovac Prize was founded to provide assistance to Cal undergraduates, at the same time it is meant to stimulate research in Serbian history and culture. Graduate research in these areas would thus be considered.

There is no deadline associated with the prize. Questions concerning application, which includes submission of the written work and letters of recommendation, can be directed to Barbara Voytek, Executive Director of ISEEES, (510) 643-6736 or bvoytek@socrates.berkeley.edu.

The Hertelendy Graduate Fellowship in Hungarian Studies

By a generous gift to the University of California, Berkeley, Mr. And Mrs. Paul Hertelendy have established an endowment for support of the Hertelendy Graduate Fellowship in Hungarian Studies. UC Berkeley-enrolled graduate students of any nationality and citizenship are eligible to apply, provided only that they are resident in the US at the time of application and plan to embark on a career in the US. The Hertelendy Fellowship is to support UC Berkeley-enrolled graduate students working in the general field of Hungarian Studies and/or US-Hungarian or European- (including the EU)-Hungarian Relations. The fields are broadly defined to include all areas of history, language, culture, arts, society, politics, and institutions of Hungary. The deadline for the fellowship competition is March 1, 2001.
The Center acknowledges with sincere appreciation the following individuals who have contributed to the annual giving program, the Associates of the Slavic Center (or have been enrolled due to their particular generosity toward Cal to support some aspect of Slavic & East European Studies), between November 1, 2000 and January 31, 2001. Financial support from the Associates is vital to our program of research, training, and extra-curricular activities. We would like to thank all members of ASC for their generous assistance.

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For those of you who are not yet members, we encourage you to join. We believe you will enjoy the stimulating programs; even if you cannot participate as often as you might wish, your continuing contribution critically supports the Center’s mission and goals.

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Sponsors ($100-up). ASC Sponsors also receive a uniquely designed, brilliant blue coffee mug which promotes Slavic and East European Studies at Berkeley. They also receive invitations to special informal afternoon and evening talks on campus featuring guest speakers from the faculty as well as visiting scholars.

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It is a policy of the University of California and the Berkeley Foundation that a portion of the gifts and/or income therefrom is used to defray the costs of raising and administering the funds. Donations are tax-deductible to the extent allowed by law.

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Center for Slavic and East European Studies
University of California, Berkeley
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Funding Opportunities

**ISEEES Travel Grants** provide up to $400 to faculty and ISEEES-affiliated graduate students presenting a paper at a meeting of a recognized scholarly organization. Awards are made on a first-come, first-served basis, and priority is given to those who did not receive ISEEES funding in the past AY. To apply send request with budget. Deadline: on-going. Contact: Barbara Voytek, ISEEES, UC Berkeley, 260 Stephens Hall # 2304, Berkeley CA 94720-2304; Tel: 510-643-6736; bvoytek@socrates.berkeley.edu.

**Drago and Danica Kosovac Prize**—see page 28.

**Hertelendy Graduate Fellowship in Hungarian Studies**—see page 28.

**Peter N. Kujachich Endowment in Serbian and Montenegrin Studies**—see page 28.

**ACIE (ACTR/ACCELS)**
The **Central, Eastern and Southern Europe Language Program** provides fellowships for graduate students to study language for a semester, academic year or summer in Bulgaria, Czech Republic, Hungary, Macedonia, Moldova, Poland, Slovakia and the Baltic states. Fellowships include round-trip international airfare to the student’s host-city, tuition, housing, insurance, and living stipends. Applicants must be US citizens or permanent residents.

The **Combined Research and Training Program** serves graduate students and faculty in the US who have well-developed research skills, but require supplemental language instruction in the less commonly taught non-Russian languages of the former Soviet Union. Applicants must have at least an intermediate level of proficiency to apply. Funding is offered to US citizens, but non-citizens with funding are eligible to apply for the program.

**Grants for Research in Central, Eastern, and Southern Europe** provide travel, tuition, lodging expenses for 3-9 months to PhD students for research funding. Programs are available in the Baltics, Bulgaria, Czech Republic, Hungary, Macedonia, Moldova, Poland, and Slovakia. Applicants must be US citizens or permanent residents.

The **NIS Regional Language Program** supports graduate and research scholars in the intensive training of non-Russian languages and cultures of the NIS.

The **Russian Language and Area Studies Program** offers intensive Russian-language immersion programs for U.S. undergraduate and graduate students at institutes and universities in Moscow and St. Petersburg.

Deadline for all: 4/1/01 for either Fall 2001 or AY 01-02. Contact: The American Councils, Russian and Eurasian Outbound Programs, 1776 Massachusetts Ave NW Ste 700, Washington DC 20036; Tel: 202-833-7522; Fax: 202-833-7523; outbound@actr.org; http://www.actr.org.

**Center for Studies in Higher Education** Funding for **Higher Education Policy Issues** provide $2,500-$5,000 to grads and $5,000-$10,000 to faculty to conduct multi-disciplinary research on policy issues in higher education. Grad students and faculty within the UC system are eligible to apply. See Web site for eligible research themes. Deadline: 3/30/01. Contact: Center for Studies in Higher Education, UC Berkeley, South Hall Annex #4650, Berkeley CA 94720-4650; Tel: 510-642-5040; Fax: 510-643-6845; cshe@socrates.berkeley.edu; http://ishi.lib.berkeley.edu/cshe/grantprogram/index.html.

**CET Academic Programs**
The **Jewish Studies in Prague Program** provides students with the opportunity to closely examine the Jewish experience in East Central Europe. Fellowships provide funding to participate in the Jewish Studies in Prague program, conducted through Charles University. Deadline: 5/1/01 for Fall 2001. Contact: CET Academic Programs, 1000 16th St NW Ste 350, Washington DC, 20036-5705; Tel: 800-225-4262; cet@academic-travel.com; http://www.cetacademicprograms.com.

**Collegium Budapest**
The **Institute for Advanced Study** offers **Junior Fellowships** for AY 2001-02. Research should be conducted on Central and Eastern Europe, especially on the cultural, socio-political, and economic transformation. Topics in emerging disciplines and problem areas are encouraged. Deadline: 6/15/01. Contact: Collegium Budapest, Junior Fellowships, Szentharonsag u. 2., H-1014 Budapest; Tel: 36-1-22-48-300; Fax: 36-1-22-48-310; colbud@colbud.hu; http://www.colbud.hu.

**Institute of International Studies**
The **Bendix Dissertation Fellowship** provides dissertation funding to a UC Berkeley registered graduate student who shows promise of advancing scholarship in the field of political and social theory or in historic studies of society and politics. The recipient must advance to candidacy by September 1, 2001.
The Sharlin Award provides funding to a UC Berkeley registered graduate student who shows promise of advancing scholarship in the field of historical sociology, historical demography, or social history. The recipient must advance to candidacy by September 1, 2001.

The Simpson Dissertation Fellowship in International and Comparative Studies provides funding to Berkeley graduate students conducting dissertation research on transnational and global economic processes; international peace and security issues; international environmental issues; international demographic trends; or comparative development and modernities. The recipient must advance to candidacy by September 1, 2001.

Deadline for all: 4/2/01. Contact: Fellowship Coordinator, IIS, 215 Moses Hall #2308; Tel: 510-642-2472; http://globetrotter.berkeley.edu/fellowship.

NCEEER
Ed Hewett Fellowship Postdoctoral Research Fellowships provide up to $60,000 to American scholars in the humanities and social sciences to conduct research in the NIS for 4-6 months. Advanced grad students through mid-career faculty are eligible to apply. Deadline: 3/15/01.

Contact: Robert T. Huber, President, National Council for Eurasian and East European Research, 910 17th St NW Ste 300, Washington DC 20006; Tel: 202-822-6950; Fax: 202-822-6955; nceeedcr@aol.com; http://www.nceeer.org/.

Network of East-West Women
NEWW Legal Fellowship Program provides a one-year stipend to women attorneys from Central and Eastern Europe, the NIS, or Russia to acquire additional skills needed to work effectively on women’s rights in their own countries. Attorneys who have graduated from law studies in the past five years are eligible to apply. Applications should be sent by email. See http://www.neww.org/Legal_Fellowship/2001CEEFSUAnnouncement.htm for details. Deadline: 3/15/01. Contact: Erin Barclay, Network of East-West Women, 1761 S St NW Ste LL-12, Washington DC 20009; eb Barclay@neww.org; http://www.neww.org.

University of Iowa
Both Summer FLAS Fellowships and CREEES Fellowships are available to grad students for the Baltic Studies Summer Institute to study the languages, culture, and history of Estonia, Latvia, and Lithuania. Funding covers tuition, fees, and a stipend. FLAS applicants must be US citizens or permanent residents. Applications may be made online. The Web site for this program is http://www.uiowa.edu/~creees/projects/balassi.html.

The CREEES Summer Language Institute offers 8-week intensive language courses in Russian, East European, and Eurasian languages. FLAS Fellowships are available to cover tuition, fees, and a stipend. Applicants must be US citizens or permanent residents. The Web site for this program is http://www.uiowa.edu/~creees/projects/sumrli.htm.

Deadline for both: 4/14/01. Contact: University of Iowa, CREEES, 20 International Ctr, Iowa City IA 52242-1802; Tel: 319-335-3584; Fax: 319-335-2033; uicreees@blue.weeg.uiowa.edu.

Woodrow Wilson Center
The East European Studies’ Junior Scholars’ Training Seminar provides an opportunity for training in the Washington, DC area to PhD students at the dissertation or to postdocs with a Ph.D. since 1998. Research is open to any field of East European or Baltic studies, excluding Russia and the FSU. Deadline: 4/15/01. Contact: East European Studies, Woodrow Wilson Center, One Woodrow Wilson Plaza, 1300 Pennsylvania Ave NW, Washington DC 20523; Tel: 202-691-4000; Fax: 202-691-4001; kneppm@wwic.si.edu; http://wwics.si.edu/ees/grants.htm.

East European Studies’ Short Term Grants provide a one-month stipend to grad students and postdocs who are engaged in specialized research in Washington, DC. Grants do not include residence at the Wilson Center. Deadline: 6/1/01. Contact: East European Studies, Woodrow Wilson Center, One Woodrow Wilson Plaza, 1300 Pennsylvania Ave NW, Washington DC 20523; Tel: 202-691-4000; Fax: 202-691-4001; kneppm@wwic.si.edu; http://wwics.si.edu/ees/grants.htm.

Kennan Institute Short Term Grants provide a one-month stipend to grad students and postdocs for specialized research in Washington, DC. Grants do not include residence at the Wilson Center. Deadline: 6/1/01. Contact: Fellowships and Grants, Kennan Institute, One Woodrow Wilson Plaza, 1300 Pennsylvania Ave NW, Washington DC 20523; Tel: 202-691-4100; Fax: 202-691-4001; http://wwics.si.edu/kennan/grants.htm.

University of Illinois
Russian and East European Center’s Summer Research Lab on Russia & Eastern Europe provides access to the university library resources and staff of the Slavic & East European Library. Grad students, postdocs, faculty, librarians, and K-12 teachers are eligible to apply. Deadline: 4/1/01. Contact: Vicki Retzolk, Russian and East European Center, University of Illinois, 104 International Studies Bldg, 910 S Fifth St, Champaign IL 61820; Tel: 217-333-1244; Fax: 217-333-1582; reece@uiuc.edu; http://www.uiuc.edu/unit/reec/srl.htm.

University of Iowa
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Correction

The Soyuz conference held on campus February 16–17, 2001 was incorrectly named in the Fall 2000 issue of this newsletter. The correct title is “From the ‘Internationale’ to the Transnational: Repositioning Post-Socialist Cultures.”

ORIAS Summer Institute for K–5 Teachers and Librarians

“Cultural Representations in Children’s Literature”
July 30–August 3, 2001

The ORIAS 2001 Summer Institute will focus on the literacy skills and cultural representations in children’s literature that lay the groundwork for complex world history content beginning in the 6th grade. Scholars from UC Berkeley’s International and Area Centers and mentor teachers will present a program of lectures, panels and workshop activities. The content will focus on international topics in K–5 fiction.

The institute is open to all interested teachers and librarians. Enrollment is limited to 40 and will be given on a first come, first serve basis. Two graduate credits can be arranged through UC Berkeley Summer Sessions for a tuition fee; there may be a limited number of scholarships available. Further information and applications can be found on the ORIAS Web site, http://www.ias.berkeley.edu/orias/, or by contacting Michele Delattre, ORIAS Program Assistant, at (510) 643-0868.