**Political economy of post-communist world**

IR 216

MW 15:25-16:40

Magdalena Modrzejewska

e-mail: magdalena.modrzejewska@fulbrightmail.org

Office hours: Monday, 5 p.m. -6 p.m.

Office: 101 Harkness Hall (The Skalny Center for Polish and Central European Studies)

The course combines topical and territorial approaches. Therefore, the first classes of each section (communism, transformation, post-communism) cover general topics in a comparative perspective while others elaborate the specific situation in the countries/regions. Nevertheless, it is not our aim to investigate the situation in each country in detail. We will also follow current events in the broad area so students are encouraged to follow news from the region. The topic of each of the classes may change in accordance to our needs

**Course objectives**

Students should have knowledge of the transition process in the communist countries after absolving this course. We will discuss various topics, ranging from the nature of the communist economies themselves (what was different, what was the same as in market economies), through possible explanations (note, not exhaustive), why the transition towards a market economy went in the way it went, and what were and are the relations among the post-communist states.

After absolving this course, students should be able to:

• Understand the interrelations between economy and politics in the post-communist world

• Critically evaluate narratives, political and economic turnarounds

• Orient themselves in the pros and cons of the transformation strategies in their broad perspectives.

• Analyze the current events from a deeper perspective.

**Course requirements:**

Each section (communism, transformation, post-communism) will be finalized with the short test based on the readings and the discussions. Participation in the discussions is expected and its part of the evaluation. Students will also submit a final paper of approximately 5000 words. The proposals of the final papers (up to one page long) must be concluded until September 28th, 2015. Its topic should cover more than two countries. Papers should follow the rules of academic work, using footnotes etc. Structure, clarity, persuasiveness of the argument, factual accuracy or sources used will be among the most important criteria for evaluation. The deadline for the submission of the final paper is November 20th, 2015 (midnight) (electronic version via email or paper form). Students are also required to write one book review (up to 1500 words) of a book you choose (not from the required books). The book must cover topics on more than two countries. Ability to highlight the book's strengths and weaknesses, clarity of the argument and the ability to "get" the main idea will be considered. The deadline for the review is November 16th 2015. After the deadlines none of the reviews or papers will be accepted.

• Tests: 10%

• Final exam 30%

• Participation: 10%

• Final paper: 40%

• Book review 10%

Note that ignoring any part of the evaluation (with the exception of participation) leads to "fail" grade. The scale is 100-90% - A, 89-80 - B, 79-70 - C, 69 - 60 - D, less than 60 - F.

**Prerequisites**

No previous training in economy or any fields is reqired

**Academic Honesty:**

[www.rochester.edu/College/honesty/](http://www.rochester.edu/College/honesty/).

**Readings**

All obligatory readings may be obtained from the licensed databases (usually Proquest, Ebsco or Ebrary) of the University of Rochester (with the exception of Drahokoupil, Myant). Students are expected to find and download them individually. Additional materials will be placed to Blackboard along with the slides from the classes. Obligatory readings for each class are adjoined to their respective classes. The list of further readings follows the list of classes.

**Required reading:**

Hare, Paul, and Turley, Gerard, eds. Routledge International Handbooks : Handbook of the Economics and Political Economy of Transition. Florence, KY, USA: Taylor and Francis, 2013. (online ebrary)

Drahokoupil Jan, Myant Martin, Transition Economies: Political Economy in Russia, Eastern Europe and Central Asia, John Wiley and son, 2011.

Gefforey Swain, Nigel Swain, Eastern Europe Since 1945, Palgrave-Macmillan, 1993 (alternatively any edition), (online ebrary)

White, Stephen, Communism and Its Collapse. Routledge, 2001 (online ebrary)

**Further readings**

There is huge a number of books and papers dealing with the topic. I suggest the following academic journals: Problems of Post Communism, Europe-Asia Studies, Communist and Post-Communist Studies, and many others. Factiva database is extremely useful for daily press. There are also some analytical webpages dealing with the area (Jamestown foundation, Radio Free Europe etc.). The list will be constantly updated, therefore, students are encouraged also to contribute to it.

Aslund Anders, How Capitalism was Built: The Transformation of Eastern Europe, Russia and Central Asia, Cambridge, 2007.

Brown Archie, The Rise and Fall of Communism, Ecco, 2009.

Frye Timothy, Building States and Markets After Communism: The Perils of Polarized Democracy, Cambridge University Press, 2010.

Gros Daniel and Steinherr Alfred, Economic Transition in Central and Eastern Europe, Cambridge, 2004.

Kornai Janos, From Socialism to Capitalism: Eight Essays, Central European University Press, New York, 2008.

Kornai Janos, The Socialist System: The Political Economy of Communism, Princeton University Press, 1992.

**Week 1: Introduction**

1. *August 31 Course objectives, introduction* - readings assigned
2. *September 2 Communism, socialism, people's democracy, command economy basic terminology, its specifics,*

a. Archie Brown, *The Rise and Fall of Communism.* Ecco, 2009, Chapter 6.

b. Stephen White, *Communism and Its Collapse.* Routledge, 2001, pp. 1-10.

c. Leslie Holmes: Communism: A Very Short Introduction, Oxford, 2009, pp. 1-17 Optional

**Week 2: What was Communism?**

The main objective of the week's work is to discuss the main features of communist regimes. It gives a basic understanding of the phenomena of communism and socialism.

*3. September 7 Labor Day*  - No classes

4. *September 9 Marxism, Marxism-Leninism; Political economy of communism-basic relations*

a. Communist manifesto,

<https://www.marxists.org/archive/marx/works/1848/communist-manifesto/ch01.htm> , please read just the 1 chapter.

b. Ludwig von Mises, Economic Calculation in the Socialist Commonwealth, <https://mises.org/library/economic-calculation-socialist-commonwealth> pp. 1-48

c. Gabriel Temkin, Karl Marx and the Economics of Communism: Anniversary Recollections, *Communist and Post-Communist Studies,* Vol. 31, No. 4, pp. 303-328, 1998. Optional

**Week 3: How it developed?**

The week deals with the problems of setting the communist regimes, their varieties, and reforms. Why did the reforms collapse? What was so-called "Gulash socialism" or "Socialism with a human face"? How to understand the soft budget constraints?

5. *September 14* I*nstallment of communist regimes in the Soviet Union, Eastern Europe and Asia, first attempts to reform*

a. White Stephen, *Communism and Its Collapse.* Routledge, 2001, pp. 11-40.

6. *September 16 New Economic mechanism, Prague spring, Deng Xiaoping reform*

a. Jeremi Suri, The Promise and Failure of 'Developed Socialism': The Soviet 'Thaw' and the Crucible of the Prague Spring, 1964-1972, *Contemporary European History,* Volume 15, Issue 02, May 2006, pp 133-158

b. Grzegorz Ekier, State against Society, Princeton, 1996, Chapter 6, pp. 162-197 Optional

c. Victor D. Lippit (2005): The political economy of China's economic reform, *Critical Asian Studies,* 37:3, 441-462 Optional

d. Allan Lawrance, China under Communism, Routledge 1998, Chapters 8-9, pp. 94-122

**Week 4: How did Communism collapse? Real existing socialism, perestroika, glasnost.**

7. *September 21 Economic stagnation and Perestroika*

a. Aslund, Anders. *Russia's Capitalist Revolution : Why Market Reform Succeeded and Democracy Failed* (Washington D.C., PIIE, 2007), Chapters 1-2 (Obligatory)

b. Dina Rome Spechler & Martin C. Spechler (2009): A Reassessment of the Burden of Eastern Europe on the USSR, *Europe-Asia Studies,* 61:9,1645-1657 (Obligatory)

8. *September 23 Why the system crashed?*

a. Mark Kramer (2011): The Demise of the Soviet Bloc, *Europe-Asia Studies,* 63:9, 1535-1590.

b. Valerie Bunce, The Political Economy of the Brezhnev Era: The Rise and Fall of Corporatism, *British Journal of Political Science,* Vol. 13, No. 2 (Apr., 1983), pp. 129-158

**Week 5: Transformation - theoretical framework**

What was the theoretical basis for transformation? What was the previous experience?

**9. September 28 Test - Political economy of communism (based on the weeks 1-4)**

10. *September 30 Washington consensus , Strategies of reforms*

a. John Williamson, What Washington Means by Policy Reform, http://www.iie.com/publications/papers/paper.cfm?researchid=486

b. Jeffries, Ian, *Guide to Economies in Transition* (London: Routledge, 1996), 17¬64

**Week 6: Transition**

Practical implementation of the reforms, liberalization, privatization

11. *October 5 Liberalization*

a. Anders Aslund, How capitalism was built. The Transformation of Central and Eastern Europe, Russia, and Central Asia, chapter 4 and 6, pp. 82-103, 143-178.

b. Andrew Barnes, Comparative Theft: Context and Choice in the Hungarian, Czech, and Russian Transformations, 1989-2000, *East European Politics and Societies* 2003 17: 533-565. Optional

c. Janos Kornai, (1992). The principles of privatization in eastern europe.*De Economist, 140*(2), 153-176

d. Nigel Swain (2011): A Post-Socialist Capitalism, *Europe-Asia Studies,* 63:9, 1671-1695. Optional

12. *October 7 Reform and democracy*

a. Brad K. Blitz (2011): Evaluating Transitions: Human Rights and Qualitative Democracy in Central and Eastern Europe, Europe-Asia Studies, 63:9, 1745-1770

b. Jan Fidrmuc, Economic reform, democracy and growth during post-communist transition, *European Journal of Political Economy,* Volume 19, Issue 3, September 2003, Pages 583-604 Optional

**Week 7: Reform and democracy - obstacles**

13. *October 12 Informal structures*

a. Alena Ledeneva, Blat and Guanxi: Informal Practices in Russia and China, *Comparative Studies in Society and History* 2008;50( 1): 118-144.

b. Alena Ledneva, *How Russia Really Works*, Ithaca : Cornell University Press, 2006, chapter 1, pp. 10- 27 obligatory, chapter 2, pp. 28-57 optional

14. *October 14 Ukraine*

a. David Lane, The Orange Revolution: 'People's Revolution' or Revolutionary Coup? *British Journal of Politics and International Relations,* Volume 10, Number 4, November 2008, pp. 525-549 optional

b. Anders Aslund *Ukraine: What Went Wrong and How to Fix It*, 2015, chapter 4 and 5, pp. 59-100

**Week 8: Specifics of non-European post-communist economies**

15. *October 19 Caucasus*

1. Jeffrey Mankoff, The Big Caucasus: Between Fragmentation and Integration, [http://csis.org/files/publication/120326 Mankoff BigCaucasus Web.pdf](http://csis.org/files/publication/120326%20Mankoff%20BigCaucasus%20Web.pdf)
2. Kourmanowa, A Vision for Shared Prosperity in Central Asia <http://csis.org/publication/vision-shared-prosperity-central-asia>

16. *October 21 Central Asia - from communist past to oriental despotism*

a. Richard Pomfret, Central Asia after Two Decades of Independence

<http://www.wider.unu.edu/publications/working-papers/2010/en_GB/wp2010-53/>

b. David Lewis (2012): Who's Socialising Whom? Regional Organisations and Contested Norms in Central Asia, *Europe-Asia Studies,* 64:7,1219-1237.

**Week 9: Specifics of post-communist economies**

17. *October 26 Russia's economic transition*

a. Andrei Schleifer, Daniel Treisman, A Normal Country? Russia after Communism. Journal of Economic Perspectives—Volume 19, Number 1— Winter 2005—Pages 151-174,

<http://www.sscnet.ucla.edu/polisci/faculty/treisman/Papers/normjepoct06.pdf>

18. *October 28 Post-Soviet integration*

a. Olga Shumylo-Tapiola The Eurasian Customs Union: Friend or Foe of the EU? 2012 Carnegie Endowment for International Peace,

<http://carnegieendowment.org/files/customs_union.pdf>

b. Alexander Libman (2011): Russian Federalism and Post-Soviet Integration: Divergence of Development Paths, *Europe-Asia Studies,* 63:8, 1323-1355

**Week 10. Politics in the post-communist world**

19. November 2 **Test - post-communist transition (based on the weeks 5-9)**

20. *November 4 Peculiarities of the post-communist systems, Corruption, informal practices*

a. Aleksandra Sznajder Lee (2011): After the Party, the After-Parties? The Effects of Communist Successor Parties on Economic Reform in Central and Eastern Europe, Europe-Asia Studies, 63:9,1697-1718 optional

b. Trends in Corruption and Regulatory Burden in Eastern Europe and Central Asia, World Bank Publication, 2011,

<http://siteresources.worldbank.org/ECAEXT/Resources/2011_report_fullreport.pdf> Chapter 3, 4 and 5 from this report

c. Leslie Holmes, (2013). Postcommunist transitions and corruption: Mapping patterns. *Social Research, 80*(4), 1163-1186

**Week 11: Role of state in the economies**

21. *November 9 State capture*

a. Andrei Yakovlev (2006): The evolution of business - state interaction in Russia: From state capture to business capture? *Europe-Asia Studies,* 58:7, 1033-1056,

b. Oxana Gaman-Golutvina (2008): Changes in Elite Patterns, *Europe-Asia Studies,* 60:6,1033-1050

22. *November 11 Welfare states*

a. Mitchell A. Orenstein, Postcommunist Welfare States, *Journal of Democracy* Volume 19, Number 4 October 2008

<http://www.pf.upol.cz/fileadmin/user_upload/PF-katedry/politologie/Postcommunist_welfare_states.pdf>

b. Kornai, Janos (2002). "The Role of the State in a Post-Socialist Economy", Distinguished Lectures Series, No. 6, Leon Kozminski Academy of Entrepreneurship and Management (WSPiZ), Warsaw

www.tiger.edu.pl/publikacje/dist/kornai.pdf

**Week 12 Social policies in post-communism; Integration and disintegration**

23. *November 16 Social policies in post-communism*

a. Roger Sapsford, Pamela Abbott, Trust, confidence and social environment in post-communist societies, *Communist and Post-Communist Studies,* 39 (2006) 59-71.

b. Anders Aslund *Ukraine: What Went Wrong and How to Fix It*, 2015, chapter11, pp. 207-222.

24.*November 18 Integration and fragmentation*

a. Timothy Frye and Edward D. Mansfield, Fragmenting Protection: The Political Economy of Trade Policy in the Post-Communist World, British Journal of Political Science, Vol. 33, No. 4 (Oct., 2003), pp. 635-657 <http://www.columbia.edu/~tmf2/Fragmenting%20Protection.pdf>

b. Richard Sakwa (2011): The Clash of Regionalisms and Caucasian Conflicts, *Europe-Asia Studies,* 63:3, 467-491.

**Week 13: Building New order**

*25. November 23 The Role of the EU in Eurasia*

a. Derek Averre (2009): Competing Rationalities: Russia, the EU and the 'Shared Neighbourhood', Europe-Asia Studies, 61:10,1689-1713.

b. Nicu Popescu, Eurasian union: the real, the imaginary and the likely, EU Institute for Security Studies,

<http://www.iss.europa.eu/uploads/media/CP_132.pdf>

26. *November 25 The role of Russia in the post-Soviet space*

a. William Fierman (2012): Russian in Post-Soviet Central Asia: A Comparison with the States of the Baltic and South Caucasus, *Europe-Asia Studies,* 64:6, 1077-1100.

b. Colton, Timothy, Timothy Frye, and Robert Legvold. The Policy World Meets Academia: Designing U.s. Policy Toward Russia. Cambridge, Mass: American Academy of Arts and Sciences, 2010. Chapter 3, pp. 37-49

c. Carol R. Saivetz, The ties that bind? Russia's evolving relations with its neighbors, *Communist and Post-Communist Studies,* 45 (2012) 401-412.

d. Martin C. Spechler, Dina R. Spechler, Russia’s lost position in Central Eurasia, Journal of Eurasian Studies, Volume 4, Issue 1, January 2013, Pages 1-7,

**Week 14: Financial crisis – Russia and Ukraine**

27. *November 30, Russia - a normal country?*

a. Mikhail Golovnin, Alexander Libman, Daria Ushkalova, Alexandra Yakusheva Is the USSR dead? Experience from the financial and economic crisis of 2008¬2009, Communist and Post-Communist Studies, *Communist and Post-Communist Studies*  Studies 46 (2013)pp. 109–122

b.Richard Connolly & Nathaniel Copsey (2011): The Great Slump of 2008-9 and Ukraine's Integration with the European Union, *Journal of Communist Studies* and Transition Politics, 27:3-4, 541-565

28. *December 2 Central Europe*

*a.* Robert Bideleux (2011): Contrasting Responses to the International Economic Crisis of 2008-10 in the 11 CIS Countries and in the 10 Post- Communist EU Member Countries, Journal of Communist Studies and Transition Politics, 27:3-4, 338-363

b. *International Monetary Fund 25 Years of Transition Post-Communist Europe and the IMF, report,* pp. 47-54

<https://www.imf.org/external/pubs/ft/reo/2014/eur/eng/pdf/erei_sr_102414.pdf>

**Week 15: Is transition over**

29*. December 7 China, Vietnam*

a. Christopher A. McNally, Sino-Capitalism China's Reemergence and the International Political Economy, *World Politics* 64, no. 4 (October 2012), 741¬76.

b. Balazs Szalontai & Changyong Choi (2012): The Prospects of Economic Reform in North Korea: Comparisons with China, Vietnam and Yugoslavia, *Europe-Asia Studies,* 64:2, 227-246

c. Konstantin Sonin The end of economic transition Lessons for future reformers and students of Reform, *Economics of Transition,* Volume 21(1) 2013,1-10

30. December 9– Wrap up, no readings assigned