POL 415H-S and POL 2341: Winter 2011   [[DRAFT Nov.17.10]]
Nationalism,Myth, and History:Ukraine and the CIS
(The Political Economy of Transition and Nation-Building)
Wed: 4-6 pm; Room : LA 214

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This seminar course will focus on the period of post-communist transformation since 1989 and will analyse the interplay between this transformation and the process of nation-building (or rebuilding). The central dynamics of this period involved simultaneous movement towards a market economy and democracy (unlike China) . Were these two goals compatible or in conflict? How did the transition contribute to nation-building-and vice-versa? Did different historical conditions-such as prior statehood, linguistic regionalism, ethnic or religious diversity, western vs. eastern historical ties - lead to different transition outcomes? Was the formation of economic "oligarchs" in some countries related to historical conditions ? Do the oligarchs help or hinder nation-building? The course will address these and other questions by using the evidence of the political economy literature of this period focusing on CIS case studies with Ukraine as a key example , but will set this in a broader context of the evolution and performance of all post-communist countries , including Central Europe, Baltics, and South-East –Europe.

Course work will consist of :1) an assignment of MAX. 2,000 words, with a value of 30% of mark and due on **FEB. 18, 2011**;   and 2) a full length term essay   MAX. 5,000words due **APRIL 8,2011,**with value of 70%. . Late penalty of 2% per day applies. For both the assignment and essay each student will be assigned *by lottery* one of the region's countries to work on , but bilateral trades will be allowed. The allocation procedure and the nature of the work expected   will be explained in the first class, Jan. 12.. The assignment consists of describing for the country basic evolution of transformation process, stating WHAT happened. The long essay will continue for the same country analyzing in depth WHY transformation evolved as it did .Detailed instruction on both of these are available in a separate note. For the long essay, each student will be required some time in the last three weeks of class, to give a short presentation of the paper's main thesis and preliminary findings, with some summary handouts - this is to help produce a better final paper -the presentation will not be graded.

Four books will be used extensively and made available in the short-term loan library :
- D'Anieri,P., R.Kravchuk, and T.Kuzio (1999) *Politics and Society in Ukraine,* Westview Press   [[DAKK]]
- Havrylyshyn ,O. (2006) *Divergent Paths in Post-Communist Transformation,* Palgrave MacMillan Publishers   [[OH Book]]
- Auer,S. (2004), *Liberal Nationalism in Central Europe.* London: Routledge [[AUER]]
- Fritz, Verena (2007) *State-Building .A Comparative Sudy of Ukraine.Lithuania, Belarus and Russia.* Budapest, CEU Press. [[FRITZ]]

Required readings for each lecture are noted by a bullet . Many other items are available electronically; all others will be provided in short-term reserve. Additional suggested readings for deeper study of the issues are shown in [[ ]].

Course Topics Overview

I.   **INTRODUCTION: AN OVERVIEW OF POST-COMMUNIST TRANSFORMATION**

II.   **THE TRANSITION TO MARKET ECONOMY: WHICH WAS BETTER- GRADUAL OR RAPID?**

III.   **POLITICAL TRANSFORMATION: DEMOCRATIZATION OR ELECTORAL AUTOCRACY?**

IV.   **FORMATION OF OLIGARCHS: RESULT OF TOO MUCH REFORMS –OR TOO LITLE?**

V.   **NATION-BUILDING AND NATIONALISM : LIBERALISING OR CONFLICTUAL?**

VI.   **BUILDING BASIC STATE INSTITUTIONS**

VII.   **THE OUTCOME: WHAT KIND OF STATES DO WE HAVE TODAY?**

Class Calendar and Readings

LECT.1 JAN.12:   I. INTRODUCTION: Course Logistics, Issues, Aims
- DAKK,Ch.1,pp.1-7
- OH book :   Intro. And Ch.1
- AUER, "Liberal Nationalism in Central Europe", Ch.1
- FRITZ, Ch.1, "State and Institution Building."

LECT.2   JAN.19:   II. TRANSITION TO MARKET
   The Basic Facts
- O. Havrylyshyn, (2007) " Fifteen years of Transformation in the Post-Communist World", *Policy Issues Paper ,* CATO institute , Washington. D.C.
- Bohdan Harasymiw,,(2002), Post Communist Ukraine. Canadian Institute of Ukrainian Studies Press: Ch9.to p.371

 The Big Debate : which was better- Rapid or Gradual?
- Gerard Roland,(2001) "Ten years After…Transition and Economics", *IMF Staff Papers,*Vol. 48.Special Issue on Transition,pp.29-52
- OH Book: Ch.2
- Jeffrey Kopstein(2009) "1989asa Lens for the Communist Past and Post-Communist Future" Contemporary European History, vol.18,3, p. 284-302

[[Additional readings suggested:Michael Ellman "Transition:Intended and Unintended Processes", pp.595 ff.in *Comparative Economic Studies*; Anders Aslund,How Russia Became a Market Economy;(1995) Kolodko(2000) Post-Communist transition: The Thorny Road: Gaidar(2003),State and Evolution:Russia's Search for a Free Market.   For Ukraine,see K. Banaaian (1999) , The Ukrainian Economy since Independence ; R.Kravchuk (2002), Ukrainian Political Economy ; Anders Aslund (2009)How UYkraine became A Market Economy ,; for Baltics Anatol Lieven (1993), The Baltic Revolution.]]

LECT.4   JAN 26: III.   THE POLITICAL TRANSFORMATION

- Adam Przeworski (1991) Democracy and the Market Ch.4, pp.136-161
- OH Book, pp.55-58
- Michael McFaul, (2002) " The Fourth Wave of Democracy and Dictatorships ", *World Politics*, vol.54, Jan.2002, pp.212-44

[[Additional : Przeworski et.al. (2000) Democracy and Development ; the rest of Fish; Ole Norgaard (2000).Economic Institutions and Democratic Reform, esp.ch.3 on Przeworski hypothesis]]

LECT.5. Feb. 2. IV. FORMATION OF OLIGARCHS
- OH Book pp.133-143 and CH.6, pp.177-202
- J.Gould and Y. Hetman (2008) "market Democracy Unleashed? Business Elites and the Crisis of Competitive Authoritarianism." *Business and Politics,* vol.10,Issue 2, Art.1   {{ www.bepress.com/bap/vol10/iss2/art1 }}
- Hans van Zon (2005) "Political Culture and Neo-Patrimonialism Under Leonid Kuchma" Problems of Post-Communism Vol 52,5, p12-22

[[Additional : the rest of Goldman; Hellman, Joel, (1998)"Winners Take All",*World Politics,*vol.50, pp.203-34;Hellman and Schankermann,(2000) " Intervention, Corruption and Capture", *Economics of Transition* vol.8, no.3, pp.295-326;   there are many books by journalists on Russian oligarchs; the best are Chrystia Freeland and Rose Brady , there is little so far on Ukraine or other CIS **[[might be a good MA or PhD thesis]],** one exception is Viatcheslav Avioutski (2009) "The Consolidation of the Ukrainian Business Class" paper presented at Danyliw Seminar , Uof Ottawa Chair of Ukrainian Studies. The link beteen energy and oligarchy in Ukraine a is also analysed in Margarita Balmaceda, "Corruption, Intermediary Companies and Energy Security, Problems of Post-Communism vol 55, 4, p. 16-28.   ]]

LECT.6. Feb., 9   V. NATION-BUILDING AND NATIONALISM
- Reread AUER Ch.1
- George Schoepflin, "The Functions of Myths…" pp.19-35 in
   G .Hosking and G.Schoepflin,eds (1997). Myths and Nationhood
- FRITZ, Ch.2 " A Framework for Assessing States", and Ch.5 "State-Building in the Post-Soviet Region."

LECT. 7&. 8: Feb. 19 and Mar. 2; VI. BUILDING STATE INSTITUTIONS

- ON UKR: DAKK ,Ch.2 & Ch. 9,FRITZ Ch.6 & O.Havrylyshyn (1997) ,"Economic reform in Ukraine", Ch.11. in M.Blejer and M. Skreb,eds, Macroeconomic Stabilization in Transition Economies
- ON CE:AUER, Ch.3 on Poland (skim chs.4-5 on Czech R. and Slovakia)
- ON BALTICS: S. Bollerup and C. Christensen, (1997), Nationalism in Eastern Europe ,Ch.5 on Estonia ,pp.60-74; FRITZ Ch.10 LITH

[[Additional: other chapters in AUER, and Bollerup&Christiansen , give accounts of nation-building in Czech Republic, Slovakia, Croatia, Moldova.   Also see A. Lieven (1993) The Baltic Revolution. The Ukraine –Russia contretemps is discussed succinctly in A. Lieven (1999), Ukraine & Russia . On various other regional conflicts see Jan Bugaski (1995) , Nations in Turmoil. .
On the mechanics of state-building. day-to-day detail of actual process –see DAKK,Chs.3,4,5-8; similarly in Harasymiw, chs.4-10 ; The Kravchuk and Banaian books also have some of this . Fritz is very good on Ukraine as well as Russia, Belarus. Norgaard Ch7 on general post-soviet issues]]

READING WEEK –FEB. 21-25
It is suggested you read a little bit on he topic "SOCIAL IMPACTS OF
ECONOMIC TRANSFORMATION". From the list below. At a minimum, look at 1.

1. OH Book ,Ch.3 and Powerpoint Presentation on course website under CERES
2. Pradeep Mitra and Ruslan Yemtsov (2006) "Increasing Inequality in Transition
   Economies" World Bank Policy Research Paper 4007, Sep.2006
3. World Bank (2005) Growth ,Poverty , and Inequality: Eastern Europe and the
   Former Soviet Union Overview pp.1-22
4. M.Steven Fish (2005) Democracy Derailed in Russia , pp.20-23 and 150-169

[[additional: UNDP (1998) ,Poverty in Transition; Milanovic, B. (1998) Income
Inequality and Poverty ; also his article in *Economics of Transition, vol 7,no.2*, as well
as other articles in that issue.*]]*

LECT.9. Mar. 16: VII   THE OUTCOME : MYTHS vs.. REALITY

- Janos Kornai (2006), "The Great Transformation of Central Eastern Europe",
  Economics of Transition, Vol.14(2) ,2006, pp.207-244
- G.Ekiert, J.Kubik, and M.A. Vachudova, (2007) "Democracy in the Post-
  Communist World : An Unending Quest ?" *East European Politics and Society,*
  vol.21, no.1, pp.7-30
- O. Havrylyshyn, (1995), "How Patriarchs and Rent-Seekers are Hijacking the
  Transition to a Market Economy", *The HURI Bulletin of Facts Analysis and
  Opinion, vol.2,no.3* May-June 1995,pp.1-6
- Theodor Todoroiu (2007), "Rose ,Orange and Tulip: The Failed post-Soviet
  Revolutions" *Communist and Post-Communist Studies,* vol.40,pp.315-342

[[Additional: on the spectrum of democracy –authoritarianism see Lucan Way (2005)
Authoritarian State-Building …" *World Politics* vol.52 no.2 p231,also Bunce and
Wolchik "International Diffusion and Post-Communist Electoral Revolutions"
Communist and Post-Communist Studies vol.39,p.283. The last reference also contains
other articles on colour revolutions . So too does the April 2005 issue of *Journal of
Democracy.* An update on the "second-wave " of post communist democratization is
on the website of the German Marshall Fund US (gmfus.org) , under Demes, Forbrig
and Sheperd. And finally, the Freedom House publication *Nations in Transit* is available
on their website, covering about 25 post-communist states. It does not give a historical
overview, just most recent developments of democratic freedom measures. It has been
published annually for 10+ years so can be used to construct a timeline for any country.]]

LECT.10   MAR.23: PAPER PRESENTATIONS

LECT.11.   MAR.30.PAPER PRESENTATIONS

LECT.12   APRIL 6 .PAPER PRESENTATONS

POL415/2341???(W.11):   TERM WORK ASSIGNMENTS

There will be two assignments—a short essay and quantitative data exercise of about 8 double-space pages (max. 2000 words plus tables charts) due **FEB.18**, and a longer paper of 18-20 double-spaced pages (max . 5,000 words of text) due at the end of term, by **APRIL 8**. The first will have value of 30% and the second 70% of final mark. Each student will do both assignments on one post-communist country   to be assigned by lottery.

1) THE DATA EXERCISE/ESSAY

The first assignment   will consist of collecting and presenting some data on economic and political transformation   from a website source to be given, and a brief essay describing the path of economic and political transformation. The countries from which you will draw a name by lottery will be one of the former Soviet Republics.. The descriptive essay   should not try to go too deeply into a discussion of problems , internal forces etc, but should simply describe WHAT happened since about 1991.

The description must include some basic statistical data measuring indices of democracy and market progress that are widely used by economists and political scientists .The internet sources for this are described below—getting the data , manipulating it. And describing it,   will be the point of the first assignment. The essay   text should describe the nature of these transformations, their time trend, pattern, reversals , –and a very important component, how country "X" compares to some appropriate average of other post-communist countries. It is up to you to decide what "appropriate" comparison group you want to use giving an explanation of this choice; you may feel it is best to compare your country not to others in the CIS group, but to Central Europe. Comparator group information can come from class, readings, or your own data manipulations of the data sources.

You will discover that the raw data for these two indicators in fact comes from several sub-indicators. Thus progress towards the market is measured by the European Bank for Reconstruction and Development (EBRD) as a set of 8 sub-indicators (price liberalization, small-scale privatization, large privatization etc.)You will need to calculate an overall average each year from these EIGHT sub-indicators. It is advisable to retain the original data for all sub-indicators as you will use them for the long essay.

Each student will do a different country in order to ensure enough library material is available for all, and the country "X" you do will be determined by a simple lottery in the second class, drawing a folded slip of paper. (Bilateral trades are allowed within one week.)

2) THE LONG PAPER

The subject of the long paper will be to elaborate on the same country described in the short essay, going beyond the *description* of these transformations, of WHAT happened, to a deeper analysis of *causal explanation:* WHY did country "X" evolve as it did, why was it slower or faster than others, what correlation was there (if any) between evolution of a liberal democracy and evolution of a liberal market ? Is there maybe something wrong with these indicators for application to country "X" etc. etc. In the longer paper you may also want to elaborate the comparison with other countries by using more than one comparator group of countries , and discussing how this matters- or not. Of course, qualitative sources of information of more traditional sort (books, journal articles, papers by academics, experts) are expected to play even more of a role in the long essay to supplement the quantitative data.

THE SOURCES OF INFORMATION.

For traditional source material (books, journals, papers, e.reports etc) you are on your own with UofT library and other sources. Use anything you like but beware that things like Wikkipedia may contain errors not yet corrected by the ether- in fact after you have done your essay you may want to be a corrector ! Wikipedia and current google – searched items will tend to be more descriptive, perhaps fine for first assignment;;for the longer paper you need to find more reflective and sophisticated analysis, typically in books , journal articles –although a lot of early working paper drafts by researchers come in the form of accessible working paper – e.g.: World Bank, IMF, and ERBRD working papers of more analytical sort can be accessed on internet.; the same goes for a lot of Univeristu and Research Institute working paper series. Note that for the longer paper you do not need to talk about the very latest developments in –the point is to discuss the long-term trend since about 1990, , an not necessarily to the latest date.

For the basic quantitative information, the next section provides internet site references and some guidance on how to proceed.

DATA SOURCES AND METHODOLOGY
The assignment requires describing one nation's transformation towards a functioning market economy and towards a functioning democracy (or lack thereof). In order to describe this transformation, you will obtain quantitative estimates of the level of economic liberalization and democratization occurring in each country over the period of transition (1990- to a recent but not latest date).

Several international organizations have already conducted the ground-work for your research in this regard . Specifically, Freedom House gives a numerical score for the degree of democratization, in a country , and the European Bank of Reconstruction and

Development (EBRD) does the same for economic liberalization, published in an annual report.

Thus, each student can visit the website of these two organization , compile the scores in a table format, and create a graph or graphs that would illustrate the extent of democratization and economic liberalization for your country during the transformation period. For the text of the essay, even though it is to be descriptive not analytical, you will want to do some traditional "library materials " research as noted above.

It is important to note that although these organizations for the most part give a democracy or economic liberalization score for each year, sometimes data is missing or incomplete and in some years shows only some partial components of democratization (ie: lack of corruption, civil liberties) , and in case of freedom House some change in coverage over time.. In this case, students should calculate the **average** using available components and use this as the overall score for that year in your tables. The details are described further below in the example for Freedom House data on democracy.
 (Missing data and different series is less of a problem in EBRD .) .

Democratization Scores

In order to obtain the democratization ratings for "Country A", visit the official website of Freedom House and redirect to their 'Nations in Transit' series, (NIT) where one will find the annual ratings for each nation. The website is http://www.freedomhouse.hu/index.php?option=com_content&task=view&id=84.
 From there, scroll down to the drop down menu for NIT 2007, and select your designated country. A PDF file should open, and at the top of the page you will find annual democracy ratings score. You will find this specific link only provides annual data on each nation from 1999 to 2007. In order to obtain the data from 1991 to 1998, visit http://www.freedomhouse.hu/index.php?option=com_content&task=view&id=100. From there, scroll down to the drop down menu for NIT 1999, and once again select your designated country. A PDF file should open, and at the bottom of the page you will find annual ratings scoring 'Political Rights' and 'Civil Liberties' – students are asked to average these two annual scores to establish a democratization score.

In terms of your democratization tables, your data should look similar to this
(*except that it makes more sense to do the bottom part 1991-1996 FIRST . Since this was set up by my TA I have not been able to make the editing adjustment:SORRY>*)

Country A	1999	2000	2001	2004	2005	2006	2007
National Governance	4.00	6.00	5.00	4.25	4.90	6.00	3.00
Electoral Process	4.50	5.00	5.00	4.75	4.25	3.75	3.50
Civil Society	4.75	5.00	4.50	4.50	4.25	4.00	3.75
Independent Media	4.50	4.75	5.00	4.50	4.25	4.25	4.25
Local Governance	4.25	4.00	4.70	N/A	4.80	3.00	N/A
Judicial Framework and Independence	4.00	7.00	6.00	5.00	4.00	N/A	1.00

Corruption	3.50	N/A	6.00	5.75	5.50	5.00	4.75
Democracy Rating	*4.21*	*5.29*	*5.17*	*4.79*	*4.56*	*4.33*	*3.38*

Country A	1991	1992	1993	1994	1995	1996
Political Rights	4.00	3.00	3.00	4.00	6.00	5.00
Civil Liberties	4.00	3.00	5.00	4.00	6.00	4.00
Democracy Rating	*4.00*	*3.00*	*4.00*	*4.00*	*6.00*	*4.50*

Although the above table omits several years, please do not omit any years from your respective tables. The above table is simply an example, and the years were omitted in order to fit within the margins of this page.To fill in any years missing in the website , you can do several things. (i) with enough searching in NIT Annual Reports details, at least some components of Democracy Score are given in their text,these can be used to calculate an average overall score. (ii) if nothing is found, and the missing years are only one or two you can interpolate arithmetically ; that is if 1996=4.3;1997,98 missing; 1999= 4.9; just draw a straight line from 96 to 99. .(iii) Qualitative studies of the country might give you a hint as to whether democracy was going up or down, or sharp changes occurred in the missing period.

Economic liberalization scores

To obtain the economic liberalization scores, visit http://www.ebrd.com/country/sector/econo/stats/index.htm. From there, scroll down and click the link "Transition Indicators by Country", from there, an excel document will open listing the annual transition indicators by country. Take ONLY the first eight sub-indictors shown in the Table below, ignore the other indicators on infrastructure progress.Once again, average these scores to establish an economic liberalization score, which nin class I call the Transition progress Indicator (TPI)

Your respective tables should appear similar to this:

Country A	1991	1994	1996	1999	2001	2004
Large scale privatisation	1.00	4.00	3.00	4.00	1.00	2.00
Small scale privatisation	2.00	4.00	3.00	3.00	4.00	2.00
Enterprise restructuring	2.00	2.00	4.00	1.00	1.00	3.00
Price liberalisation	4.00	1.00	2.00	4.00	3.00	2.00
Trade & Forex system	2.00	4.00	4.00	2.00	4.00	2.00
Competition Policy	2.00	4.00	3.00	2.00	4.00	2.00
Banking reform & interest rate liberalisation	3.00	3.00	4.00	1.00	2.00	4.00
Securities markets & non-bank financial institutions	2.00	4.00	4.00	2.00	4.00	1.00
Average Transition Progress Indicator (TPI)	2.25	Etc.	Etc.			

WARNING: It is important to note that the measurement scale scoring a country's annual level of democratic transformation and economic liberalization differ slightly. Freedom House (democratization) uses a declining scale of 1-7, whereas, the European Bank for Reconstruction and Development (EBRD) uses an ascending scale of 1-4.3. That is, in Freedom House's data, 1 represents an ideal democratic state with consolidated democratic institutions, etc, whereas 7 would represent the least possible form of democracy – thus, the lower the number, the better. In ERBD's data, 1 represents little or no change from a rigid centrally planned economy, and 4.3 represent the standards of an industrialised market economy – thus, the higher the better.

Once your tables have been established, you can graph your findings. Ultimately, you should have a graph or graphs similar to this: