POL 415H-S and POL 2341: Fall 2012
THE POLITICAL ECONOMY OF TRANSITION : UKRAINE AND THE CIS
TU 12-2 pm; Room : UC 65

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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? Did different historical conditions- 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? What is outcome after 20 yrs-is it the "end of history ,or has the global recession re-opened the socialism vs.capitalism debate ?
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 for grading will consist of

- an assignment , MAX. 2,000 words involving some simple quantitative analysis,. It has a value of 30% of mark and is due on **OCT.16 2012**
- a full length term essay MAX. 5,000 words due **DEC.7,2012,,**with value of 70%. . Late penalty of 2% per day applies for both

.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, Sep.11. The assignment consists of describing the country's basic evolution in the 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 [[square brackets]].

Course Topics Overview

I. TRANSITION TO MARKET AND DEMOCRACY

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

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

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

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

II.THE NATION-BUILDING PROCESS

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

6.BUILDING BASIC STATE INSTITUTIONS

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

8.HAS GLOBAL RECESSION REVIVED THE "*SOCIALISM vs.CAPITALISM" DEBATE?*

Class Calendar and Readings

PART I. TRANSITION TO MARKET AND DEMOCRACY

Sep.11: Topic 1.. 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."

Sep.18. Topic 2. 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?

- Turley and Luke (2011)., Appendix 7 "Policy Conclusions and lessons from transition ",pp.406-411 , in Transition Economics :Two decades on . London :Routledge Press; (this gives a succinct overview of different positions in the debate)
- 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) "1989 as a Lens for the Communist Past and Post-Communist Future" Contemporary European History, vol.18,3, p. 284-302

[[A very thorough accounting of twenty years of transition is in Turley and.Luke (2011) Ch2,"Stylised facts of transition" gives a broad overview ---
more interpretative/analytical are : 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 Ukraine became A Market Economy ,; for Baltics Anatol Lieven (1993), The Baltic Revolution.]]

Sep.25 Topic 3. 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]]

Oct.2. Topic 4. 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.]]

[[Oct. 9 – NO CLASS —use time to work on assignment]]

PART II: THE NATION-BUILDING PROCESS

Oct.16 Topic 5. 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."

Oct.23. Topic 6. 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: 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]]

[[for those interested in "SOCIAL IMPACTS OF ECONOMIC TRANSFORMATION", some good readings are:

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

Oct. 30. Topic 7.OUTCOME:WHAT KIND OF REGIMES DO WE HAVE TODAY?

- 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 nearly 20 years so can be used to construct a timeline for any country.]]

Nov. 6. Topic 8. HAS GLOBAL RECESSION REVIVED DEBATE ON "SOCIALISM vs. CAPITALISM

- Nations In Transit.2012. Freedom House Report- quick read of Overview Essay, Country Report on Russia, Country Report on Ukraine---to access:: www.fredomhouse.org/report/nations-transit/nations-transit-2012
  go to links for Overview , Russia,Ukraine country reports.—
  [clearly, reports on other countries will be of interest individually to use in assignment and essay]
- IMF, World Economic Outlook Update, July 16,2012 –---to access: www.imf.org/external/pubs/ft/weo/2012/update/02/index.htm
  {{ skim over charts and graphs, read for general comprehension}}
- Luigi Zingales (2012), A Capitalism For The People. New York : Basic Books; read "Introduction " and Ch.16, "Pro_Market, Not Pro-Business"
  {{AVAILABILITY TO BE CONFIRMED}}
- Johnson, Alan (2012), "The New Communism : Resurrecting The Utopian Delusion ":, *World Affairs Journal*
  (to access: www.worldaffairsjournal.org/print/15630)

[this article is strongly critical of the revived case for communism and socialism—it does however outline the arguments for, and gives the references to read the other side's position]

NOV.12- 13. NOV. BREAK –NO CLASSES

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PAPER PRESENTATIONS:

NOV. 20
NOV. 27
DEC. 4