

**Course Title: “CHALLENGES TO THE RUSSIAN ECONOMY IN
TRANSITION”**

Approved by Academic Council
16 May 2018

Instructor: prof. Vladimir N. Zuev

Course type: elective

ECTS 6

Total hours 228

General course description:

This course is designed for WEWP Faculty's students in the international Master program with the focus on International Relations

This elective course is taught in the first half of the second academic year.

Pre-requisites:

- basic economic knowledge
- knowledge of Russian history and economy
- knowledge of International Economics

Bachelor on related issues will meet the requirements.

Course objectives:

The course aims to develop the understanding of the substantial part of paradoxes, which take place in Russian economy.

This course will help you:

- 1) to understand specificity of the Russian economy;
- 2) to examine the origins of the features of the modern Russia's economy;
- 3) to figure out cause-effect relationship of the most significant trends in Russia's economic development;
- 4) to get academic competences necessary for analysis of Russian economy;
- 5) to develop your skills required for doing business in Russia.

Students are expected to get a more profound understanding of the Russian economy at large.

- create a systematized vision of the past and current economic transformation within Russian economy;
- describe the Russian external economic strategy;
- analyse the dynamics of economic developments;
- analyse the most pressing economic issues;

- outline prospects for future economic development.

Intended Learning Outcomes:

- Knowledge: of the Russian economy and economic policy strategies of the main players in the region (mostly Russia).
- Awareness: of current Russian economy problems, including those problems that can induce conflicts among the main participants;
- Ability: to use statistical and economic data and academic knowledge; use references, and literature on the given topic to analyse conflicting situations.
- Skills: to critically evaluate analytical and scientific materials on the given issues and find options for possible solutions related to Russian economic development.

Assignments and Assessment:

Attendance in the classes and participation in discussion sessions are required. Independent student's work will consist of assimilation of theoretical material and information received within the course, learning the works of domestic and foreign authors on the given problems, preparation of an essay or a PP Presentation on a chosen theme. Short home tasks will be given during the course.

The course ends with a written exam on a given topic, or evaluated on basis of a prepared essay and PPP.

Final grade is calculated from intermediate grades for:

- Lecture attendance - 0,3;
- Participation in the discussions and responses in the class - 0,3;
- Power point presentation on the chosen topic - 0,4;

For each aspect the student receives, correspondingly, a mark on a 10-point scale \times Q1, (where Q1 are grades on a 10-point scale).

Novelty of the course

The proposed course is new for the HSE and is created specially for students of the University's new master's program in international political science. The majority

of existing courses offered at other Russian universities concentrate mostly on economic history and on the available statistical data. This course, apart from covering economic development in historical retrospective, focuses on the most recent economic developments, including those after 2008-2010 world economic crisis, and is based on analysis of the crucial issues for the Russian economy.

The topics included in the course are aimed at provoking discussions and debates in order to cover the material from different points of view.

Course syllabus

Basic reading:

1. Survey of the economic policy in Russia. Bureau of the Economic Analysis. Moscow: 2004-2011, Teis
2. Mitra P., Selowsky M. and others. Turmoil at Twenty. Recession, Recovery and Reform in CEE and the former Soviet Union. Washington: WB, 2010.
3. Martin Myant, Jan Drahekoupil. Transition Economies: Political Economy in Russia, Eastern Europe, and Central Asia, ©2011

Course Content

Topic 1 - Introduction to 'a transition in Russia' course

Major features of Russia as a country, as a nation, as geo-political actor.
 Russian political landscape and its influence on economic developments.
 Political and economic interlinks.
 Basic economic data on Russian economy.

Reading:

1. Michael McFaul, Nikolay Petrov and Andrei Ryabov. Between Dictatorship and democracy: Russian Post-Communist Political Reform. Washington: Carnegie Endowment for International peace, 2004
2. Steven E. Miller and Dmitri Trenin (Eds.) The Russian Military: Power and Policy. (American Academy of Arts and Sciences series) MIT Press, 2005. Introduction, Ch. 4,5.
3. Sergei Karaganov. New Contours of the World Order. Russia in Global Affairs". № 4, October - December 2005
4. David Hoffman. The Oligarchs. Wealth and Power in the New Russia. N.Y.: Public Affairs, 2002. pp. 177 – 325.

Topic 2 - Brief Russian economic history. Pillars of market reforms

Introducing market reforms

Economic crisis of 1998
 Golden decade
 World economic crisis
 Policy of modernisation

Reading:

1. Michael McFaul, Nikolay Petrov and Andrei Ryabov. Between Dictatorship and democracy: Russian Post-Communist Political Reform. Washington: Carnegie Endowment for International peace, 2004
2. Aslund A. Democracy, Governance and Corruption after Communism. Экономический журнал ВШЭ, 2001, № 3, pp. 311-327. available at: http://library.hse.ru/e-resources/HSE_economic_journal/articles/05_03_05.pdf
3. Hare P., Muravyev A. Privatization in Russia. in Handbook of Privatization, edited by David Parker and David Saal, Edward Elgar, 2003, available at: <http://www.sml.hw.ac.uk/ecopgh/PrivRussiaFinal.pdf>
4. Dolgopiatova T. Corporate Control in the Russian Companies: Models and Mechanisms. Higher School of Economics Working Paper Series, WP 2002 # 5. available at: www.hse.ru/science/preprint/WP1_2002_05.htm
5. Government Capacity to Produce High Quality Regulation in Russia, OECD, 20-Jun-2005, available at <http://www.oecd.org/dataoecd/14/45/34985412.pdf>

Topic 3 - Lost opportunities of transition

Notion of transition.

Prerequisites for the transition.

Conditions and concrete steps of the transformation.

Consequences of the enacted transformation

Reading:

1. From Transition to Development. A Country Economic Memorandum for the Russian Federation World Bank, 2004, Available at: http://siteresources.worldbank.org/INTRUSSIANFEDERATION/Resources/cem_eng_29062005.pdf
2. Lilia Shevtsova and Arch Tait. Russia - Lost in Transition: The Yeltsin and Putin Legacies: Carnegie Endowment for International Peace, 2007. Introduction, Conclusion.
3. James Billington. Russia in Search of Itself, Woodrow Wilson Center Press, 2004, Ch. 3-5
4. Alexei Arbatov. Russia: a Special Imperial way? Russia in Global Affairs January - March 2006.
5. Dmitri Trenin. Getting Russia Right. Washington: Carnegie Endowment for International Peace, 2007 pp. 37 – 88

6. Russian Economy: Trends and Perspectives (Yearly). Institute of Economy in Transition. Editions from 1991 (in English from 1995) available at: <http://www.iet.ru/files/text/trends/2004eng/2004eng.pdf>

Topic 4 – Lessons of transition. Searching for solutions

Economic indicators.

Recent trends in economic development.

World economic crisis and specificity of anti-crisis policies.

Problems, linked to transformation and linked to mismanagement.

Reading:

1. *OECD economic report on Russia. M.: OECD, 2009, 2010, 2011*
2. IMF World Economic Outlook, October 2011.
(www.imf.org/external/pubs/weo2011/02)
3. Mitra P., Selowsky M. and others. Turmoil at Twenty: Recession, Recovery and Reform in CEE and the former Soviet Union. Washington: WB, 2010.
4. Jurgens I. Russia in the twenty-first century: Model of a desirable future Internationale Politik und Gesellschaft, Issue 2, 2010, Pages 111-130
5. Energy for sustainable growth. UNDP report for Russia. M: 2010.
6. Glushkova E., Vernikov A. (2009), How big is the visible hand of the state in the Russian banking industry? - June 2009. Munich University Library.
http://mpra.ub.uni-muenchen.de/15563/1/MPRA_paper_15563.pdf
7. Sergey Skozlov. ‘Macroeconomic environment on Russian banking market’ <http://www.skozlov.com/banks2010> Article, The Banker, 02 February 2009
http://www.thebanker.com/news/fullstory.php/aid/6437/State-owned_banks_tighten_grip.htm
8. www.kremlin.ru
9. www.economy.gov.ru
10. Rosstat.
11. Charts and Data, Central Bank of Russia.
<http://www.cbr.ru/eng/>

Topic 5 - 7 Understanding lessons of transition

Prospects for further economy transformation.

Economic Prospects.

Russia as an actor in global economy

Reading:

1. V. Putin. Speech at Meeting with the Ambassadors and Permanent Representatives of the Russian Federation.
<http://www.cdi.org/russia/johnson/jrl-2005-.cfm>

2. Vladislav Surkov Divides Democracy. *Kommersant*. June 2006
3. Russian Economy: Trends and Perspectives (Yearly). Institute of Economy in Transition. Editions from 1991 (in English from 1995) available at: <http://www.iet.ru/files/text/trends/2004eng/2004eng.pdf>
4. Zuev V. Chapter "EU – Russia energy relations" in a book "Energy and Environmental Challenge" /Ed. L.Wylie/ P.Wynand. Brux.:Peter Lang, 2011, - 417pp.

Reading

1. Sergei Karaganov. New Contours of the World Order. *Russia in Global Affairs*". № 4, October - December 2005
2. Matha Olcott. Vladimir Putin and Russia's Energy Policy. Carnegie Moscow Center Working Paper, #1, 2005
3. Anders Aslund. *How Capitalism Was Built: The Transformation of Central and Eastern Europe, Russia, and Central Asia*. 2007. Ch. 2-4
4. Sergei Medvedev, *EU-Russia Relations: Alternative Futures*. Helsinki, UPI, 2006

Topic 8 – Russian economy in between East and West (External economic dimension)

Basic information.

Mechanism, main tasks, major problems, important achievements.

Russian stance and interests of partner-countries.

Prospects of future cooperation within the designed framework.

Reading:

1. Dmitri Trenin. *The End of Eurasia: Russia on the Border Between Geopolitics and Globalization*. Washington: Carnegie Endowment for International Peace, 2002, Ch. 2-6
2. Zhalimbetova, Rosa and Gleason, G. "Bridges and Fences: the Eurasian Economic Community and Policy Harmonization in Eurasia." *Central Asian Monitor*, (2001): 18-24.
3. Dov Lynch. *Engaging Eurasia's Separatists States*. Washington: U.D.Institute of Peace, 2004, pp. 4 – 46
4. Sergei Lavrov. The Rise of Asia and Eastern Vector of Russia's Policy. *Russia in Global Affairs*". № 3, July - September 2006
5. Robert Legvold (Ed.) *Thinking Strategically. The Major Powers, Kazakhstan and Central Asian Nations Nexus*. (An American Academy of Arts and Sciences Series). Cambridge, Mass. MIT Press, 2003, Ch. 2-4, 6.
6. Samuel Huntington. *The Clash of Civilizations and the Remaking of the World Order*. (Sections dealing with Russia and Eurasia). Various editions.
7. *Agreement on Foundation of Eurasian Economic Community (EAEC)*, 2000.
8. Kembayev, Zhenis. *Legal aspects of the regional integration processes in the post-Soviet area*. Almaty: Springer, 2009.

9. Sakwa, Richard, Webber, Mark. "The Commonwealth of Independent States, 1991-1998: Stagnation and Survival." *Europe-Asia Studies*, Vol. 51, No. 3 (1999): 379-415.

Basic information about the new design of the integration on the post-Soviet space.

From Free trade area to Customs Union and the Single Economic Space.

Main tasks, major problems.

Russian stance towards integration and interests of partner-countries.

Prospects for the future cooperation within the designed framework.

Reading:

1. Akiner, Shirin. *Regional Cooperation in Central Asia*. University of London 2001.
2. David Nalle. Kazakhstan, Unfulfilled Promise. (book review): Middle East Policy July , 2005
3. David Marples. Russia-Belarus: the Complex Relationship., Eurasia Daily Monitor, 06/07/2005.
4. Margarita Balmaceda, James I.Clem and Lisbeth L.Tarlow. Independent Belarus: Domestic determinants, Regional Dynamics, and Implications for the West. Cambridge: Harvard University Press, 2002 Ch. 2,
5. Kembayev, Zhenis. Legal aspects of the regional integration processes in the post-Soviet area. Almaty: Springer, 2009.

Note: developments in post – Soviet Economy are quite rapid, so that scholarly publications often don't catch up. Changes may be included, while the course is conducted.

Sample topics for final evaluation.

1. The main features of Russian economy
2. Recent trends in Russian economy.
3. The main problems of Russian economy.
4. Russian anti-crisis policy. International comparisons.
5. Russian economy in the post-global-crisis period.
6. Lessons from Russian Transitional Period's experience.
7. Prospects for the Russian economy
8. Economic system in the countries of Central Asia, their external economic policy strategies.
9. Economic conflicts within the CIS.
10. What is the economic significance of the CIS?

11. Why is there a new Customs Union? (Current trends in economic relations between Russia, Belorussia and Kazakhstan).
12. The main features of the inner tensions within CU.
13. Economic prospects for the CU.
14. Prospects for the EurAsEc.
15. Western part of Post-Soviet Space: economy of Belorussia and Ukraine.
16. Evolution of Russian – Chinese economic relations.
17. Russian-USA economic cooperation.
18. Problems for the new EU –Russia economic agreement.
19. Russian relations with major international institutions (upon a choice – IMF, WB, G-8, G-20 etc.).
20. Energy transportation economics in Eurasia.
21. Future shape of the Post-Soviet space economy.

Sample Topics for presentations and written papers

22. The goal of modernization of the Russian economy: are we on the right track?
23. Russian oil industry: strong and weak points.
24. Russian gas: how efficient a monopoly can be?
25. Russia as a leading nuclear energy power (resources, security, nuclear energy waste disposal, supplies of equipment, building power plants).
26. Specific features of the Russian banking sector.
27. What to do to become a world financial center?
28. Major factors for high volatility of the ruble exchange rate and the CBR policies.
29. Standard of living in Russia – international comparisons.
30. Russian transport: what to do to become a corridor between East and West?
31. Russia as a major player in the world food market.
32. Russia - a world natural water power.
33. Russia as an Arctic power – Lomonosov ridge's link.
34. Mineral resources in Russia – an eternal source of wealth.
35. Russian anti-crisis policy. International comparisons.
36. Strategy of the Russian companies abroad (case study upon a choice).
37. Russian real estate market after the world economic crisis.
38. Russian economy in the post-global-crisis period: limits on the global coordinated efforts.
39. Russian international debt position: why no more debts?
40. Balanced budget/low credit rating dilemma.
41. Economic conflicts within the CIS.
42. Investment climate in Russia: what comes next?

43. What is needed for Russia to attract more tourists and become a more important tourist destination?
44. Education in Russia – how common is the European education space?
45. Economic impact of the major sport events for Russia (Olympic games, Football championship, etc.)
46. What is the economic meaning of the CIS?
47. Why the new Customs Union? (Current trends in economic relations between Russia, Byelorussia and Kazakhstan).
48. EurAsEC – prospects for a Single Economic Space (V.Putin's article in Izvestia newspaper, October 4, 2011).
49. Russian economic links with Ukraine.
50. Competing emerging powers: Russian – Chinese economic relations.
51. Russia – USA: rivals and partners.
52. Concepts for the new EU – Russia economic agreement.
53. Russian relations with major international institutions (upon a choice – IMF, WB, G-8, G-20 etc.).
54. Economics of energy security in Eurasia.
55. Future shape of the Post-Soviet space economy.

Note: Students are invited to come up with topics of their own for consideration with the tutor.