



COURSE UNIT DESCRIPTION

Appendix No 1 Course unit descriptions

Course unit title		Code	
Economic transformation: from command economy to a new system			
Lecturer(s)		Department, Faculty	
Coordinating: dr.Nerijus Udrenas		Institute of International Relations and Political Science	
Study cycle		Type of the course unit	
Second		Compulsory	
Mode of delivery	Semester or period when it is delivered	Language of instruction	
Face to face	1	English	
Requisites			
Prerequisites: English language skills (B2)		Co-requisites (if relevant): None	
Number of ECTS credits allocated	Student's workload (total)	Contact hours	Individual work
10	260	48	212
Purpose of the course unit: programme competences to be developed			

The purpose of the course is to provide students with an in-depth knowledge of the transformation from centralized planned economic system to a market economy, provide analytical skills required for the further analysis and evaluation of the transformation process and its effects in Eastern Europe and Russia. Analysis will focus on the creation of government capacity to develop a system of finance and institutions, improving governance and better resource allocation, that would bring desired solutions achieving transition goals.

The course aims to develop a set of generic competences such as the ability to apply theory in practice, solve unexpected complex problems, provide analytical insights and apply them for the whole region. The course also aims to develop a set of subject specific competences such as in-depth understanding of the Russian and Eastern European economic context, ability to analyze assumptions and origins of the implemented economic policies in the region, ability to analyze and evaluate economic integration processes and their effect on national and regional contexts.

Individual and group work will be combined to achieve the most during the seminars. The goal of the course is to combine both individual and collective insights, to compare and contrast political and economic transformation trajectories of East Central and East European countries. Therefore, students would be combined into pairs to present each other readings on selected country or topic. Then a pair would be randomly selected to give a presentation to the whole class. One student would present the synopsis of the author, while the other would present a critique of the same reading. Class discussion and the main takeaways would conclude the session.

The main attention during the evaluation will be given to the understanding of the required reading, its critical evaluation, participation in discussion and attendance. Another 50% of evaluation comprises a written essay. The subject of essay could be chosen freely, but associated clearly with the overall subject of economic transformation in East Central Europe. The structure of the essay should correspond to the regular analytical text: the subject of the analysis is presented at the beginning clearly posing questions which would be attempted to answer, short description of the literature on the given subject, the theoretical model and the line of argumentation. Evidence presented should be assessed using the proposed theoretical scheme and conclusions offered at the end. References and the list of literature is a must. The essay should not be longer than 14 pages (one and a half lines spacing, the font - 12 Times New Roman).

Learning outcomes of the course unit	Teaching and learning methods	Assessment methods
Will be able to analyse processes of the fall of central planning systems and its transformation to market economy.	Lectures, discussions, independent work, presentation.	Assessment of work during the seminars, exam.
Will be able to independently examine and critically evaluate transformation of economic systems in the context of specific states and regionally.	Discussions, independent work, presentation, essay.	Assessment of work during the seminars, exam, essay.
Will be able to apply historical and theoretical knowledge on transformation of the economic systems in post-communist states for the further examination and research.	Lectures, discussions, independent work, essay.	Assessment of work during the seminars, exam, essay.
Will be able to evaluate course of the economic transformation in specific post-communist states, forecast possible further course of the economic development.	Discussions, independent work, presentation, essay.	Assessment of work during the seminars, essay.

Content: breakdown of the topics	Lectures	Seminars	Contact hours	Self-study hours	Assignments
1. Introduction. The concept of traditional and modern society Institutional Economics: Time and Institutions	2	2	4	10	Compulsory readings and analysis of the texts: Video: S.Hosking, The best stat's you have ever seen. D. North, "Economic Performance Through Time", American Economic

Development theory: The modernization and dependency theory The engine of development: Cooperation or Competition?						Review 84-3 (1994), 359-367. D. North, "Understanding Economic Change". 13-18. J. Williamson: The New Institutional Economics: Taking Stock, Looking Ahead; Journal of Economic Literature Vol. XXXVIII (September 2000) pp. 595–613
2. Episodes in Comparative History of East Central Europe.	2		2	4	10	Video: Rzeczpospolita https://www.youtube.com/watch?v=83hwEc7B9CI Immanuel Wallerstein. 1974. "The Rise and Future Demise of the World Capitalist System," Comparative Studies in Society and History 16, pp. 387-415. Robbert Brenner, "Economic Backwardness in Eastern Europe in Light of Developments in the West", The Origins of Backwardness in Eastern Europe, 15-52 E.Gudavicius, 2006. "What Is And Isn't Indigenous To Lithuanian Culture", <i>Lituanus</i> , Vol.52-1. Stephan Haggard and Steven B. Webb, What Do We Know about the Political Economy of Economic Policy Reform? The World Bank Research Observer, Vol. 8, No. 2 (Jul., 1993), pp. 143-168 On Soviet Union – Rise and Fall https://www.youtube.com/watch?v=TSRwgMgg0dM https://www.youtube.com/watch?v=274hn6HgwqQ
3. External aid and development Marshall Plan –EU precursor?						Video: The Marshall Plan World Development Report 1996 From Plan to Market, World Bank. Pp. 1-98 J.Williamson, The Political Economy of Policy Reform, pp.1-44, (In search of a manual for Technopols) pp.525-597 (The political conditions for economic reform) OECD The political economy of a reform, pp.9-80 (Structural policy reform: Learning from the past)
4. Introduction. Collapse of the soviet system.	2		2	4	10	Compulsory readings and analysis of the texts:

1989-1990 chronology and key aspects.						<p>Video: Cold war. Conclusion. https://www.youtube.com/watch?v=x03asG2tnPk</p> <p>Derek H. Aldcroft and Steven Morewood. <i>Economic Change in Eastern Europe since 1918</i>. Edward Elgar, 1995. – Ch.9. The road to revolution (pp.177-205).</p>
<p>5. Soviet economic system: key aspects and collapse.</p> <p>Why CHINA did not collapse?</p>	2		4	6	12	<p>Compulsory readings and analysis of the texts:</p> <p>Video: N.Fergusson on 6 killer apps https://www.ted.com/talks/niall_ferguson_the_6_killer_apps_of_prosperity</p> <p>Video: Eric X. Li on two political systems: https://www.ted.com/talks/eric_x_li_a_tale_of_two_political_systems</p> <p>Video: Nial Fergusson. China https://www.youtube.com/watch?v=fgvDgn2GSJE&index=2&list=PLAvnt9h4ZZTTOtM6xYALz6K6mZKaWQ8aL</p> <p>Sharon L.Wolchik & Jane L.Curry (eds). <i>Central & East European Politics: From Communism to Democracy</i>. - Rowman & Littlefield Publishers, Inc., 2008. – Ch.3. Re-creating the market (pp.55-85).</p>
<p>6. Economic transformation - liberalisation and stabilisation of the economy. Shock therapy.</p> <p>POLAND</p>	2		4	6	16	<p>Compulsory readings and analysis of the texts:</p> <p>Anders Åslund. <i>How Capitalism Was Built. The Transformation of Central and Eastern Europe, Russia, and Central Asia</i>. – Cambridge University Press, 2007. – Ch. 4. Liberalization: the creation of a market economy (pp. 82-103); Ch.5. From hyperinflation to financial stability (pp.104-142).</p> <p>Anders Åslund <i>The Great Rebirth: Lessons from the Victory of Capitalism over Communism</i>, 2014 ch. 1, pp. 17-38</p>
<p>7. Privatising as the main process of economic transformation.</p> <p>CZECHOSLOVAKIA</p>	2		4	6	12	<p>Compulsory readings and analysis of the texts:</p> <p>Anders Åslund. <i>How Capitalism Was Built. The Transformation of Central and Eastern Europe, Russia, and Central Asia</i>. – Cambridge University Press, 2007. – Ch. 6. Privatization: the establishment of private property rights (pp.143-181).</p> <p>Anders Åslund <i>The Great Rebirth: Lessons from the Victory of Capitalism over Communism</i>, 2014 ch. 10, pp. 187-204</p> <p>Anders Åslund <i>The Great Rebirth: Lessons from the Victory of Capitalism over</i></p>

						Communism, 2014 ch. 3, pp. 53-72
8. Two decades in the post-communist state economic evolution. Russian economic development.	2		4	6	10	<p>Compulsory readings and analysis of the texts: IMF Working Paper WP/10/89. <i>Russia's Output Collapse and Recovery: Evidence from the Past-Soviet Transition</i>. April 2010. -</p> <p>Anders Åslund <i>The Great Rebirth: Lessons from the Victory of Capitalism over Communism</i>, 2014 ch. 5, pp. 89-112</p> <p>Video: North Korea https://www.youtube.com/watch?v=0C7VeC-K9Kk Video: Jegor Gaidar - https://www.youtube.com/watch?v=fa_Yf52GCYk</p>
9. Interactions and relationship between democracy and market. Hungary and Slovakia	2	2	4	8	16	<p>Compulsory readings and analysis of the texts: <i>Russia's Capitalist Revolution: Why Market Reform Succeeded and Democracy Failed.</i> – Peterson Institute of International Economics, 2007. – Ch.8. Why market reform succeeded and democracy failed (pp. 277-307).</p> <p>Anders Åslund <i>The Great Rebirth: Lessons from the Victory of Capitalism over Communism</i>, 2014 ch. 2, pp. 39-52, ch.6., pp.113-134; ch. 14, pp.273-297</p>
10. Restoration of the independence of the Baltic states and their economic transformation. BALTIC States		2	2	4	12	<p>Compulsory readings and analysis of the texts: European Economy. Occasional Papers No.58. <i>Cross-country study: Economic policy challenges in the Baltics</i>. February 2010. - http:// ec.europa.eu/economy_finance/publications/occasional_paper/2010/op58_en.htm</p> <p>Stefan Frisch, Henn-Jüri Uibopuu. The Baltic states and EU-Accession. In: Anselm Skuhra (ed.). <i>The Eastern Enlargement of the European Union. Efforts and Obstacles on the Way to Membership</i>. StudienVerlag, 2005. – P. 209-233.</p>
11. EU and Russian economic relations: reforms and evolution. Georgia			4	4	16	<p>Compulsory readings and analysis of the texts: Rokas Grajauskas, Laurynas Kasčiūnas. Modern versus postmodern actor of international relations: explaining EU-Russia negotiations on the new partnership agreement. <i>Lithuanian Foreign Policy Review</i>. 2009 (22). -</p> <p>Anders Åslund <i>The Great Rebirth: Lessons from the Victory of Capitalism over Communism</i>, 2014 ch. 8, pp. 149-164</p>
12. Ukraine between the			2	2	10	Compulsory readings and analysis of the

Eurasian Union and EU.						<p>texts:</p> <p>Pekka Sutela. <i>The Underachiever. Ukraine's Economy since 1991</i>. The Carnegie Paper. – March 2012. – 34 p.</p> <p>Anders Åslund <i>The Great Rebirth: Lessons from the Victory of Capitalism over Communism</i>, 2014 ch. 8, 165-186</p>
13. Characteristics of Belarusian economic development.			2	2	10	<p>Compulsory readings and analysis of the texts:</p> <p>Tomas Janeliūnas. Between Russia and the EU: transformational opportunities for Belarus. <i>Lithuanian Foreign Policy Review</i>. 2007 (19).</p>
14. CONCLUSION - historical legacies in shaping the outcomes of economic, social and political reforms						<p>Video: Prof.G.Ekiert</p> <p>Central Europe symposium 2015: https://www.youtube.com/watch?v=eGcvYtqJkxI</p>
Presentation					24	Independent reading and analysis
Written assignment					64	Independent reading and analysis
Total	12	4	32	48	212	

Assessment strategy	Weight %	Deadline	Assessment criteria
Performance during seminars	50%	During semester	Quality of comments, insights and relevant remarks (15%) Quality of the presentation (25%)
Essay	50%	At the end of semester	Uniqueness of the research (10%) Knowledge of academic literature of the chosen topic (10%) Depth of analysis of the topic (10%) Ability to present results in an appropriate coherent form (10%)

Author	Publishing year	Title	Issue of a periodical or volume of a publication; pages	Publishing house or internet site
Required reading				
Anders Åslund	2007	How Capitalism Was Built. The Transformation of Central and Eastern Europe, Russia, and Central Asia.		Cambridge University Press (338/As-33)
Anders Åslund	2014	The Great Rebirth: Lessons from the Victory of Capitalism over Communism		Peterson Institute for International Economics (338/As-33)
R.Brenner		Economic Backwardness in Eastern Europe in Light of Developments in the West", The Origins of Backwardness in Eastern Europe,	15-52	
	2010	European Economy. Occasional Papers	No.58., February	http://ec.europa.eu/economy_finance/publications/occasional_paper/2010/op58_en.htm
Rokas Grajauskas, Laurynas Kasčiūnas	2009	Lithuanian Foreign Policy Review	22	http://www.lfpr.lt/uploads/File/2009-22/Grajauskas_Kasciunas.pdf
Stephan Haggard and Steven B. Webb	1993	What Do We Know about the Political Economy of Economic Policy Reform? The World Bank Research Observer	Vol. 8, No. 2 (Jul., 1993), pp. 143-168	http://documents.worldbank.org/curated/en/507661468765557874/What-do-we-know-about-the-political-economy-of-economic-policy-reform

D.North	1994	Economic Performance Through Time, American Economic Review	84-3; 359-367	http://www.ppge.ufrgs.br/giacomo/arquivos/diremp/north-1994.pdf
D.North		Understanding Economic Change	13-18	
Anselm Skuhra (ed.)	2005	The Eastern En- largement of the European Union. Efforts and Obsta- cles on the Way to Membership		Studien Verlag (339.924(4))

Pekka Sutela	2012	The Underachiever: Ukraine's Economy since 1991	March	The Carnegie Paper
Eteri Kvintradze	2010	IMF Working Paper	WP/10/89. April	http://www.imf.org/external/pubs/cat/longres.cfm?sk=23717.0
Tomas Janeliūnas	2007	Lithuanian Foreign Policy Review	19	http://www.lfpr.lt/uploads/File/2007-19/Janeliunas_ENG.pdf
Derek H.Aldcroft and Steven Morewood	1995	Economic Change in Eastern Europe since 1918		Edward Elgar (338 (4)(091)
Immanuel Wallerstein. 1974.	1974	“The Rise and Future Demise of the World Capitalist System,” Comparative Studies in Society and History	16, pp. 387-415.	
Sharon L.Wolchik & Jane L.Curry (eds)	2008	Central & East European Politics: From Communism to Democracy		Rowman & Littlefield Publishers, Inc.
J. Williamson, ed.	1994	The Political Economy of Policy Reform		
J.Williamson	2000	The New Institutional Economics: Taking Stock, Looking Ahead; Journal of Economic Literature	Vol. XXXVIII (September 2000) pp. 595–613	
World Development Report	1996	From Plan to Market		Oxford UP
OECD		The Political Economy of Reform		
Recommended reading				
Algimantas Jankauskas, Raimondas Lopata, Gediminas Vitkus (eds.)	2007	Transformation of Putin's Regime. Why Transitory is not Applicable to Post - Soviet Russia.		Vilnius University Press (32/Tr35)

Anders Åslund	2007	Russia's Capitalist Revolution: Why Market Reforms Succeeded and Democracy Failed		Peterson Institute for International Economics
Robert Brenner	2009	Property and Progress: The Historical Origins and Social Foundations of Self-sustaining Growth		Verso
David Kotz, Fred Weir	2007	Russia's Path from Gorbachev to Putin: The Demise of the Soviet System and the New Russia.		London: Routledge (332/Ko-518)
Katlijn Malfliet, Lien Verpoest and Evgeny Vinokurov	2007	The CIS, the EU and Russia. The Challenges of Integration.		Houndmills: Palgrave Macmillan (341/Ci-259)
Tomasz Mickiewicz	2005	Economic Transition in Central Europe and the Commonwealth of Independent States		Palgrave (ALF/8199)
Verena Fritz	2007	State-Building: A Comparative Study of Ukraine, Lithuania, Belarus, and Russia.		Budapest: CEU Press (ALF/3159)

Daniel Gross and Alfred Steinherr	2004	Economic Transition in Central and Eastern Europe. Planting the seeds		Cambridge University Press,
Zenonas Norkus	2012	On Baltic Slovenia and Adriatic Lithuania. A Qualitative Comparative Analysis of Patterns in Post-Communist Transformation.		Vilnius: Apostrofa (32 No-79)
CEPS readings				
R.Brenner	2009	Property and Progress: The Historical Origins and Social Foundations of Self-sustaining Growth		Verso