

IR 281: Business and Politics in Eastern and Central Europe

Monday and Wednesday, 12:30-1:45PM

Instructor: Olesya Tkacheva

Office Hours: Monday, 2:00-3:00PM and by appointment

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Course description: This course examines patterns of state-economy interaction in Russian and Eastern Europe under three different regimes: the socialist system, the transition period, and the new global order. Although the geographic scope is limited to Eastern Europe, the course lays out the foundations for analyzing politico-economic challenges brought about by rapid economic and political transformation in other regions as well

Week 2 (January 20): Classifying Business

Janos Kornai, *The Socialist System: The Political Economy of Communism* (Princeton, NJ: Princeton University Press, 1992), Chapters 15 & 16.

Kari T. Liuhto, "The Transformation of the Soviet Enterprise and Its Management: A Literature Review," ESRC Centre for Business Research, University of Cambridge Working Paper No. 146, available at <<http://www.cbr.cam.ac.uk/pdf/WP146.pdf>>, pp. 1-26.

Ellen T. Comisso, *Workers' Control Under Plan and Market: Implications of Yugoslav Self-Management* (New Haven: Yale University Press, 1979), Chapter 1.

Suggested: Joseph S. Berlinger, *Factory and Manager in the USSR* (Cambridge: Harvard University Press, 1957).

Part III: Political Economy of Transition

Week 6 (February 15-17): Challenges of Transition

Jan Svejnar, "Transition Economies: Performance and Challenges." *Journal of Economic Perspectives* 16:1 (Winter 2002), pp. 3-28.

Joel Hellman, "Winners Take All: The Politics of Partial Reform in Post-Communist Transitions," *World Politics* 50:2 (January 1998), pp. 203-234.

Gerald Roland, "Synthesizing Lessons from Transition," in *Transition and Economics: Politics, Markets, and Firms* (Cambridge, MA: The MIT Press, 2002).

Irina Denisova, Markus Eller, Timothy Frye, and Ekaterina Zhuravskaya, "Who Wants to Revise Privatization? The Complementarity of Market Skills and Institutions," *American Political Science Review* 103:2 (May 2009), pp. 284-304.

Suggested Topic for Student Presentation: Evaluating the Success of Reforms

Week 7 (February 22-24): Rebuilding the State in Eastern Europe

Ann Grzymala-Busse, *Rebuilding Leviathan:*

Week 8 (March 1-3): Feeding the Post-Communist State

Thane Gustafson, *Capitalism Russian-Style* (Cambridge, MA: Cambridge University Press: c 1999), Chapter 9.

Gerald M. Easter, "Politics of Revenue Extraction in Post-Communist States: Poland and Russia Compared," *Politics & Society* 30:4 (December 2002), pp. 599-627.

Pauline Jones Luong and Erika Weinthal, "Contra Coercion: Russian Tax Reform, Exogenous Shocks and Negotiated Institutional Change," *American Political Science Review* 98:1 (February 2004), pp. 139-152.

Scott Gehlbach, *Representation Through Taxation: Revenue, Politics, and Development in Post-Communist States* (Cambridge MA: Cambridge University Press, 2008), Chapters 1, 2 & 5.

Suggested Topic for Student Presentation: "Tax System Reforms in Eastern Europe"

Suggested:

Hilary Appel, "Politics and the Flat Tax in Post-Communist Europe," Paper Presented at the APSA meeting, September 2009.

Mikhail Pryadilnikov, Citizens (and Tax Inspectors) Against the State: Tracking Changes in Attitudes towards Tax Compliance in Russia, 2001-2008," Paper Presented at the APSA meeting, September 2009.

Marc P. Berenson, "Does Political Culture Matter? Deciphering the Whys of Ukrainian Tax Compliance in Relation to Poland and Russia," Paper Presented at the APSA meeting, September 2009.

March 3: Midterm Exam (in-class)

March 8-10: No Classes (Spring Break)

Weeks 9-10 (March 17-25): Protecting Property Rights and Enforcing the Rule of Law

Timothy Frye, "Original Sin, Good Works, and Property Rights in Russia," *World Politics* 58:4 (July 2006): 479-504.

Kathryn Hendley, "Business Litigation in the Transition: A Portrait of Debt Collection in Russia." *Law and Society Review* 38:4 (2004):305-347.

A.Lambert, K.Sonin, and E. Zhuravskaya, "Are Russian Commercial Courts Biased? Evidence from a Bankruptcy Law Transplant," *Journal of Comparative Economics* 35:2 (2007):

Suggested Topic for Student Presentation: "A Case Study of the Yukos Affair"

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Suggested: Timothy Frye, "Credible Commitment and Property Rights: Evidence from Russia,"
American Political Science Review 98:3 (August 2004): 453-66"

Week 11 (March 29-31): Post-Communist Corruptional Sc

Sergei Guriev and Andrei Rachinsky, "The Role of Oligarchs in Russian Capitalism," *Journal of Economic Perspectives* 19:1 (2005): 131-150.

Week 13 (April 12-14): Shaping Political Processes

Mert Bilgin, "Geopolitics of European natural Gas Demand: Supplies from Russia, Caspian and the Middle East," *Policy Studies* 37:11 (2009): 4482-92.

Suggested Topic for Student Presentation: Gazprom a