

Economics 468
Socialism, Planning and Russia's Contemporary Economy
Maymester 2021

Instructor: Steven Rosefielde

Office: 300D Gardner Hall

Class Meetings: M-F 9AM – 12:15PM

Prerequisites: Econ 310, C or better in Econ 400 and 410

Website: <http://sakai.unc.edu>

Credit Hours: 3 credits

Syllabus and Requirements

Course Description

Russian economy elaborates Vladimir Putin's managed market system in post-Soviet socialist perspective. The course introduces students to the concepts of socialism and planning. It outlines the fundamentals of Soviet command socialism, investigates its weaknesses, and explains why the USSR's economy imploded. It describes Putin's transition strategy, highlights its characteristics, including its residual socialist features, investigates the new system's economic potential and assesses its merit using the competitive consumer sovereignty standard. At the end of the course, students will be able to understand the costs and benefits of Soviet socialism, and socialist economy more broadly, as well as Russia's ability to engage in a new Cold War with the West.

IDEA Course:

Russian Economy is a FOCUS CAPACITY course that enables students to encounter key capacities (Identify, Discover, Evaluate, Act) under the category of **Global Understanding and Engagement**.

Students will study and engage with global processes shaping the world and its peoples, including those beyond the North Atlantic region (United States, Canada, and Western Europe). Topics include globalization and anti-globalization movements, resurgent socialist idealism, transnationalism, and authoritarianism.

Students will develop deep knowledge of historic or contemporary roles and differential effects of human organizations and actions on global systems.

Topics covered in this course will help students answer important questions.

Questions for Students:

What forces connect and distinguish the experiences of socialist and Russian societies with other societies, and human organizations around the world? How can I understand and compare socialist and Russian worldviews from other outlooks? What connections and differences exist between Western, socialist and Russian world views, experiences, societies, or power structures? What ideas, approaches, and international sources allow scholars to compare Western with socialist and Russian societies?

How does this course satisfy the Ways of Knowing focus capacity Learning Outcomes?

Students will be taught the socialist theories and planning concepts that shaped Soviet civilization and will be shown how to evaluate these constructs with neoclassical economic welfare theory. This will allow them to grasp Soviet performance from the consumer utility and social wellbeing standpoints. Students will be taught how to perform the same analysis for Putin's managed market economy. Students will be taught how to apply neoclassical economic hypothesis testing to objectively assess the comparative merit of Soviet socialist and Russia's system. Students will be taught how to evaluate economic science-related claims and information from popular and/or peer-reviewed sources by examining the relationship between the evidence, arguments, and conclusions presented and by assessing consistency with existing knowledge from valid and reliable scientific sources. Students will be taught how to identify, assess, and make informed decisions about ethical issues connected with the Soviet and Russian systems.

The recurring capacities will be met through the following activities:

Students will be given writing assignments or class work, or term paper or something else totaling at least 10 pages in length, or the intellectual equivalent. The topics will be socialism, planning and global engagement. Students will present material to the class, small groups, or the public through oral presentations, webpages, or other means that enable corroboration of fact and argument. The topics will be socialism, planning and global engagement. Students will collaborate in pairs or groups to learn, design, solve, create, build, research or similar. The topics will be socialism, planning and global engagement.

HONOR CODE: Students are required to comply with UNC's honor code.

ACCESSIBILITY: Accommodation is provided in accordance with ARS rules.

PERSONAL ELECTRONIC DEVICE BAN

Unless explicitly authorized, you are not permitted to use a laptop computer, tablet computer, smart phone, or cell phone during class. Watching movies and videos, playing games, checking the scores on espn.com, and chatting with your friends are disruptive behavior that will not be tolerated.

REQUIREMENTS:

1. Writing assignments, or class work, or term paper or something else totaling at least 10 pages, or the intellectual equivalent is obligatory. The exercise counts 15% of the course grade.

2. Midterm exam (essay) is optional. It counts for 15% of the course grade.

3. The final exam (essay) is obligatory. It counts 70% of the course grade if the midterm is taken and 85% otherwise.

4. Attendance: Is compulsory and a record is kept. Students who miss 5 to 7 classes will be penalized a half letter grade for the course. Those missing 8-10 classes will be penalized a full letter grade. Those missing more than 10 classes will **FAIL**. The count begins on the third day of class. Absence from any scheduled classes other than the voluntary midterm count against you. No excuses including medical, family and jobs interviews are accepted and there are no make-up options.

An exception will be made for University-approved absences (see <http://catalog.unc.edu/policies-procedures/attendance-grading-examination/>); students with this type of absence may request a make-up examination at a time convenient to both student and instructor.”

GRADING: Grades depend primarily on your grasp of the question, mastery, analytic prowess, insightfulness and the thoroughness of your answers, not rote (including verbatim memorization of the textbook, and other plagiarized sources). I don't ask true/false or multiple choice questions. “Cut and paste” is not good enough. Factual accuracy is expected including strategic citations from appropriate sources. If facts are misstated or misconstrued, these errors will be penalized. Graphs must be complete, with all elements accurately labeled. The economic meaning of graphic elements and underlying equilibrating mechanisms must be adequately stated. Right opinion is irrelevant (see Plato). Grades are not curved. I read all examinations at the same time so that I can accurately gauge your performance relative to the class norm.

Exams are graded anonymously applying the standards set forth above. From time to time students may disagree with my judgment about the quality of their responses. Except in cases of factual error, I alone am responsible for judging your performance.

Course grades depend solely on exams. No credit is given for class participation (but chronic unexcused absences are penalized). Tardiness will be treated as an absence, unless students inform me that they were late at the end of each class. No credit is given for claimed “hard work.” No credit is given because you think that you performed better than I judge. No credit is given because you received a better grade in a previous course that I taught. Courses and grades are independent. There are no options for extra credit. No consideration is given to self-proclaimed “needs.” Grade requirements imposed by external parties like graduate school admission boards, or scholarship committees are not a valid basis for determining course grades.

Students are not permitted to retake exams unless they have valid written medical excuses or other equivalent authoritative justification.

GRADING SCALE (ALPHABETIC): A grade of C is assigned to exams that demonstrate a basic knowledge and understanding of the course material, allowance made for various minor errors of fact, and comprehension. A grade of B is assigned to exams that demonstrate a good knowledge and understanding of the course material allowance made for various minor errors of fact, and comprehension. A grade of A is assigned to exams that demonstrate a superior and complete knowledge and understanding of the course material, allowance made for various minor errors of fact, and comprehension. A grade of D is assigned to exams that fail to display a basic knowledge and understanding of the course material, allowance made for various minor errors of fact, and comprehension. A grade of F is assigned to exams that fail to display the minimal knowledge and understanding of the course material required for a grade of D, allowance made for various minor errors of fact, and comprehension.

GRADING SCALE (NUMERIC): Exams are graded numerically with scores converted to alphabetic grades. The C range is 70-79.99; B range is 80-89.99 and A range is 90-100. C, B, A correspond to scores respectively from 72.5-77.4; 82.5-87.4; and 92.5-97.4. Minuses and pluses fall in the remainder of each grade range. The sub-ranges give the benefit of the doubt to those in the minus range.

PERSONAL ELECTRONIC DEVICE BAN

Unless explicitly authorized, you are not permitted to use a laptop computer, tablet computer, smart phone, or cell phone during class. Watching movies and videos, playing games, checking the scores on espn.com, and chatting with your friends are disruptive behavior that will not be tolerated.

SCHEDULE:

1. First Day of Class: Wednesday May 19, 2021
2. Midterm Exam: Wednesday, May 26
3. Memorial Day Monday, May 31 (no class)
3. Classes End: Thursday, June 3
4. Final Exam: Friday, June 4

OFFICE: Gardner 300-D

OFFICE HOURS: By appointment.

READINGS

TEXTS

Steven Rosefielde, *Russian Economy from Lenin to Putin*, Wiley, 2007 (**Purchase**).

Steven Rosefielde, *Putin's Russia: Economic, Political and Military Foundations*, World Scientific Publishers, 2020. (**Purchase**).

Steven Rosefielde, **Kremlin Strikes Back: Russia and the West after Crimea's Annexation**, Cambridge University Press, 2016. (**Purchase the paperback**)

Steven Rosefielde, *Russia in the 21st Century: The Prodigal Superpower*, Cambridge University Press, 2005. (Recommended)

SUPPLEMENTARY BOOKS

Steven Rosefielde, *The Unwinding of the Globalist Dream: EU, Russia, China* (with Masaaki Kuboniwa, Kumiko Haba and Satoshi Mizobata, eds.), Singapore: World Scientific Publishers, 2017.

Steven Rosefielde and Ralph W. Pfouts, *Inclusive Economic Theory*, Singapore: World Scientific Publishers, 2014.

Steven Rosefielde and Stefan Hedlund, *Russia Since 1980: Wrestling with Westernization*, Cambridge University Press, 2009.

Steven Rosefielde, *Red Holocaust*, Routledge 2010

Steven Rosefielde and Quinn Mills, *Masters of Illusion: American Leadership in the Media Age*, Cambridge University Press, 2007.

Steven Rosefielde and Bruno Dallago, *Transformation of Russia, Ukraine, Central and Eastern Europe*, 2016. Paperback edition 2021 **SAKAI**

Steven Rosefielde, *The Unwinding of the Globalist Dream: EU, Russia, China* (with Masaaki Kuboniwa, Kumiko Haba and Satoshi Mizobata, eds.), Singapore: World Scientific Publishers, 2017.

Steven Rosefielde, *Beleaguered Superpower: America Adrift*, (with Quinn Mills), World Scientific Publishers, 2021.

ASSIGNMENTS

The primary textbooks are *Russian Economy from Lenin to Putin* and *Kremlin Strikes Back: Russia and the West after Crimea's Annexation*. Students are responsible for the entire works, even though class coverage will be selective. Supplementary readings including those pertinent to the midterm and final exam will be indicated at the appropriate time. There is no rigid schedule. It will unfold in the fullness of time.

COURSE OUTLINE

This course will concentrate on Russia's post-Soviet evolution and the current conflicts between Russia and the Ukraine, United States and European Union. There will also be a discussion of Russia's pivot toward China. The strengths, weaknesses and prospects for the Kremlin's economy will be exhaustively analyzed. All the material described will be covered, but pre-Soviet aspects will be interwoven into the narrative instead of being treated chronologically.

PART I: FOUNDATIONS

Theory

Rosefielde and Ralph W. Pfouts, *Inclusive Economic Theory*, World Scientific Publishers, 2014. **Sakai**

Rosefielde, *Asian Economic Systems*, Chapter 1, Universal Standard. **Sakai**

Russia Since 1980,
Introduction

Russian Economy from Lenin to Putin,
Chapter 1, Muscovy and the West

Steven Rosefielde, *Kremlin Strikes Back: Russia and the West after Crimea's Annexation*. SAKAI

Marlene Laruelle, *Is Russia Fascist? Unraveling Propaganda East and West*, Ithaca NY: Cornell University Press, 2021.

PART II: SOVIET COMMUNISM: LENIN AND STALIN

Steven Rosefielde, *Socialism*, Chapter 2 [Revolution and Command], 2021. **Sakai**

Steven Rosefielde, *Socialism*, Chapter 3 [Planning], 2021. **Sakai**

James Meek, *The People's Act of Love*, Canongate, New York, 2005.

Yuri Slezkine, *The House of Government: A Saga of the Russian Revolution*, Princeton NJ: Princeton University Press, 2017.

Sheila Fitzpatrick, "Good Communist Homes", *London Review of Books*, July 27, 2017, www.lrb.co.uk

Akio, Kawato, *Land of Legend, Land of Dreams*, 2010; Kindle Books.

***Russian Economy from Lenin to Putin*,**

Chapter 3, War Communism 1917-1921

Chapter 4, NEP: 1921-1929

Chapter 5, Command Communism: 1929-1953

Chapter 6, Terror, Homicides, and Forced Labor 1929-1953

Chapter 7, Economic Performance: 1929-1953

Michael Ellman, "Russia's Current Economic System: From Delusion to Glasnost", *Comparative Economic Studies*(2015), pp .1-13.

Alec Nove, *An Economic History of the USSR*, Penguin.

R.W. Davies, *Soviet Economic Development from Lenin to Stalin*, Cambridge University Press, 1998.

Gregory Grossman, "Notes for a Theory of the Planned Economy," *Soviet Studies*, Vol. XV, No.2, October 1963, pp.101.

Paul Gregory (ed.) *Behind the Facade of Stalin's Command Economy*, Princeton University

Press, Princeton NJ, 2002.

Paul Gregory, *Lenin's Brain and Other Tales from the Secret Soviet Archives*, Hoover Institution Press, Stanford, California, 2007.

Steven Rosefielde, *Red Holocaust*, Routledge 2010

Some chapters on **Sakai**

PART III: SOVIET COMMUNISM: HOPE AND DISENCHANTMENT

Russian Economy from Lenin to Putin

Chapter 8, Reform Communism: 1953-1991

Chapter 9, Structural Militarization

Chapter 10, Delusions of Adequacy

Steven Rosefielde, *Socialism*, Chapter 4 [Radical Economic Reform], 2021. **Sakai**

Guinevere Liberty Nell, *Rediscovering Fire: Basic Economic Lessons From the Soviet Experiment*, Algora Publishing, New York, 2010.

Filip Novokmet, Thomas Piketty, Gabriel Zucman, “From Soviets to Oligarchs: Inequality and Property in Russia, 1905-2016”, 2017. <https://www.nber.org/papers/w23712>

Russia Since 1980,

Chapter 2, Reform Communism

Chapter 3, Pandora's Box

Chapter 4, Blindman's Bluff

Chapter 5, Squalid Superpower

The Struggle to Save the Soviet Economy

Chris Miller, *Mikhail Gorbachev and the Collapse of the USSR*, Chapel Hill: UNC Press, 2020.

Transformation of Russia, Ukraine, Central and Eastern Europe

PART IV: YELTSIN

Russian Economy from Lenin to Putin,

Chapter 11, Post-Communism

Russia Since 1980,

Chapter 6, Demolition and Systems Building
Chapter 7, Crisis Management

PART V: PUTIN

Russia Since 1980,

Chapter 8, Authoritarian Reconsolidation
Chapter 9, Heritage of Neglect

PART VI: ADVANCE AND RETREAT

Russia Since 1980,

Chapter 10, Semblance of Democracy
Chapter 11, Social Change and Adaptation
Chapter 12, International Relations

Steven Rosefielde, *Russia in the 21st Century: The Prodigal Superpower*, Cambridge University Press, 2005.

Chris Miller, *Putinomics: Power and Money in Resurgent Russia*, UNC Press, 2021.

Steven Rosefielde, *Kremlin Strikes Back: Russia and the West after Crimea's Annexation*. SAKAI

PART VII: PROSPECTS

Russia Since 1980,

Chapter 13, Sustainable Growth
Chapter 14, Russia in the Chinese Looking Glass
Conclusion

Steven Rosefielde, *Beleaguered Superpower: America Adrift*, (with Quinn Mills), World Scientific Publishers, 2021.

Steven Rosefielde, "Communist Economy: The Verdict of History", in Vladimir Tismaneanu, ed., *100 Years of Communism*, Prague: Central European University Press, 2020. **Sakai**

Steven Rosefielde, "Economic Systems: Nature, Performance, Prospects", in Bruno Dallago ed., *Handbook of Comparative Economic Systems*, London: Routledge, 2021. **Sakai**

Steven Rosefielde, "New Millennial Economic Systems: Paradox of Power and Reason", *Foresight and STI Governance* [Journal of the National Research University of Higher School of Economics, Moscow], Special Issue: "SYSTEM ECONOMICS — PROSPECTS OF DEVELOPMENT", 2020. **Sakai**

Steven Rosefielde, *Putin's Russia: Economic, Political and Military Foundations*, World Scientific Publishers, 2020.

Steven Rosefielde, Chapter 3. Russia's Military Industrial Resurgence: Evidence and Potential, in Stephen Blank, ed., *The Russian Military in Contemporary Perspective*, United States Army War College Press, 2019, pp.133-57.

Suzanne Oxenstierna, "Russia's defense spending and the economic decline", *Journal of Eurasian Studies* 7 (2016) 60–70.

Clifford Gaddy and Barry Ickes, *Bear Traps on Russia's Road to Modernization*, London: Routledge, 2013.

World Bank, Country Partnership Strategy (CPS) for the Russian Federation, Report No.65115-RU, November 2011.

World Bank, Russia Economic Report, *Confidence Crisis Exposes Economic Weaknesses*, Report 31, March 2014.
[.http://www.worldbank.org/content/dam/Worldbank/document/eca/RER-31-eng.pdf](http://www.worldbank.org/content/dam/Worldbank/document/eca/RER-31-eng.pdf)

Steven Rosefielde, "Cold Peace: 'Reset' and Coexistence," *The Northeast Asian Review*, Vol.1, No.3, March 2014, pp.39-50.

Steven Rosefielde, "Demand for Energy: The EU Crisis, Global Indebtedness, and the Flagging Post-Communist Boom," *Energetika XXI*, 2012.

Steven Rosefielde, "Russian Economic Reform 2012: 'Déjà vu All Over Again,'" **Sakai**

Steven Rosefielde, "Postcrisis Russia: Counting on Miracles in Uncertain Times," in Carolina Vendil Pallin and Bertil Nygren, eds., *Russian Military Development*, London: Routledge, 2011. **Sakai**

Steven Rosefielde, "After Soviet Communism: Authoritarian Economic Evolution in Russia and China," in Iikka Korhonen and Laura Solando eds., *From Soviet Plans to Russian Reality*, WSOUpro, Helsinki, 2011, pp.81-92. **Sakai**

Steven Rosefielde, "Economics of the Military-Industrial Complex," in Michael Alexeev and Shlomo Weber, *The Oxford Handbook of Russian Economy*, Oxford: Oxford University Press, 2013.

Steven Rosefielde, "The Impossibility of Russian Economic Reform: Waiting for Godot." US Army War College, Carlisle Barracks, 2012. **Sakai**

Steven Rosefielde, Masaaki Kuboniwa and Satoshi Mizobata, eds., *Two Asias: The Growing Postcrises Divide*, (with Masaaki Kuboniwa and Satoshi Mizobata, eds), Singapore: World Scientific 2012.

Russian Economy from Lenin to Putin,
Chapter 12, Prospects

Steven Rosefielde, *Kremlin Strikes Back: Russia and the West after Crimea's Annexation*. SAKAI

Steven Rosefielde, ***Russia in the 21st Century: The Prodigal Superpower***, Cambridge University Press, 2005. (Recommended)

Steven Rosefielde, "Russia's Military Industrial Resurgence: Evidence and Potential", May 2016.

Steven Rosefielde and Quinn Mills, *Masters of Illusion: American Leadership in the Media Age*, Cambridge University Press, 2007, Chapter 9, pp.203-218, Chapter 11, pp.240-44, 248-61.

Steven Rosefielde and Quinn Mills, *Democracy and Its Elected Enemies*, Cambridge: Cambridge University Press, 2013, Chapters 10 and 11.

Anders Aslund, *Russia's Capitalist Revolution: Why Market Reform Succeeded And Democracy Failed*, Peterson Institute for International Economics, Washington, DC, 2007.

Jan Leijonhielm and Fredrik Westerlund(eds.) *Russian Power Structure*, FOI, Swedish Defense Research Agency, Stockholm, January 2008.

Michael McFaul and Kathryn Stoner-Weiss, "The Myth of Putin's Success," *Foreign Affairs*, January/February, Vol.87, No.1, 2008.

Dmitri Simes, "Losing Russia," *Foreign Affairs*, November/December, Vol.86, No.6, 2007.

Yuliya Tymoshenko, "Containing Russia," *Foreign Affairs*, May/June, Vol.86, No.3, 2007.

Dmitri Trenin, "Russia Leaves the West," *Foreign Affairs*, Vol.85, No.3(May/August 2006), pp.87-96.

Andrei Shleifer and Daniel Treisman, "A Normal Country," *Foreign Affairs*, March/April 2004, pp.20-38.

Steven Rosefielde, "Russia: An Abnormal Economy," *European Journal of Comparative Economics*, Vol.2, No.1, pp.3-16, 2005. **Sakai**

Paul Gregory and Kate Zhou, "How China Won and Russia Lost," *Policy Review*, December 2009 and January 2010, <http://www.hoover.org/publications/policyreview/72997307.html>.