

Russian Economic History

2nd module

October – December 2021

Professor: Andrei Markevich (NES)

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Course information

Course Website: my.nes.ru

Instructor's Office Hours: Office hours will be announced in the beginning of the module

Office: 2.37

Course description

Aim: The aim of the class is to provide a review of Russian history via the lenses of modern economics. The course combines historical narrative with formal economic analyses. There will be special attention to empirical evaluation of economic policies undertaken in the past, and what modern research can tell us about their impact on the Russian economy in the past and present. The learning outcome is that students will achieve working knowledge of Russian development, historical statistics, institutions and their evolution over time and will learn how to apply economic analysis to Russian history.

Summary: The course focuses on the 19th and 20th centuries. During that time, Russia had a different experience of economic development relative to the rest of the world, transiting from market to plan and back. After a brief review of the development in the pre-modern period, the course covers main features of Russian industrialization and political economy before, under and after socialism.

Course requirements, grading, and attendance policies

The grade will be a combination of class attendance and participation, referee reports, and the final short research paper.

Grading weights:

5% in-class participation;

15% impromptu quizzes (I will conduct three or four impromptu quizzes during the lectures using the Socrative software, you will need a tablet to participate);

30% referee-reports on scholarly papers (three reports on three papers, i.e. ten percentage points each);

50% research paper (which replaces the final exam; there is no final exam in this class).

A non-failing grade for the research paper and at least half of referee-reports with non-failing grades are requirements to pass the course.

Course contents

I. Introduction.

1. Introduction. A quantitative review of Russian history: 1000-2000. Russian economic backwardness in historical perspective.

Morys, Matthias (Editor). (2020). *The Economic History of Central, East and South-East Europe: 1800 to the Present*. Routledge.

II. Russian empire as a development country

2. Economics of serfdom.

Buggle, Johannes and Stephen Nafziger (2019). “The Slow Road from Serfdom: Labor Coercion and Long-Run Development in the former Russian Empire”, *The Review of Economics and Statistics*.

Markevich, Andrei and Ekaterina Zhuravskaya. (2018). ‘Economic Effects of the Abolition of Serfdom: Evidence from the Russian Empire’, *The American Economic Review*, 108(4-5): 1074-1117.

3. Economic development, living standards and inequality before the Russian revolution.

Allen, Robert and Ekaterina Khaustova (2019). “Russian real wages before and after 1917,” *Explorations in Economic History*, 72: 23–37;

Markevich, Andrei (2019). ‘A Regional Perspective on the Economic Development of the late Russian Empire’. *Working paper*

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2555273 ;

Nafziger, Steven and Peter Lindert. (2014). ‘Russian Inequality on the Eve of Revolution’, *The Journal of Economic History*, 74(3): 767-798.

4. The commune and the debate on the ‘Agrarian crises’. The Stolypin reform.

Castaneda Dower Paul, and Andrei Markevich (2019). ‘The Stolypin Reform and Agricultural Productivity in Late Imperial Russia’. *The European Review of Economic History*, 23(3): 241-267;

Chernina, Eugenia, Paul Castañeda Dower and Andrei Markevich. (2014). ‘Property Rights and Internal Migration: The Case of the Stolypin Agrarian Reform in the Russian Empire’, *The Journal of Development Economics*, 110: 191-215;

Nafziger, Steven. (2010). ‘Peasant Communes and Factor Markets in Late Nineteenth Century Russia,’ *Explorations in Economic History*, 47(4): 381-402.

5. Russian Industrialization before the 1917 revolution.

Gregg, Amanda. (2020). “Factory Productivity and the Concession System of Incorporation in Late Imperial Russia, 1894–1908,” *American Economic Review*, 110(2): 401-27;

Grigoriadis, Theodoros and Marvin Suesse (2019). ‘Financing Late Industrialization: Evidence from the State Bank of Imperial Russia’, *Working paper*. <http://www.personal.psu.edu/i04/Suesse.pdf> ;

6. Imperial political economy.

Castaneda Dower, Paul, Evgeny Finkel, Scott Gehlbach and Steven Nafziger (2018). ‘Collective Action and Representation in Autocracies: Evidence from Russia’s Great Reforms’, *The American Political Science Review* 112(1): 125–147;

Grosfeld, Irena, Seyhun Orcan Sakalli and Ekaterina Zhuravskaya (2020). “Middleman Minorities and Ethnic Violence: Anti-Jewish Pogroms in the Russian Empire,” *The Review of Economic Studies*, 87: 289–342;

Nafziger, Steven. (2011). ‘Did Ivan’s Vote Matter? The Case of the Zemstvo in Tsarist Russia,’ *The European Review of Economic History*, 15: 393-441.

III. Transition from market to plan.

6. The First World War and the Russian revolution.

Castañeda Dower, Paul and Andrei Markevich. (2021). 'Did Industrialization Increase Support for the Radical Left? Evidence from the 1917 Russian Revolution', https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3856903

Castañeda Dower, Paul and Andrei Markevich (2018). "Labor Misallocation and Mass Mobilization: Russian Agriculture during the Great War," *The Review of Economics and Statistics*, 100(2): 245-59;

8. New economic policy.

Johnson, J., and Temin, P. (1993). 'The Macroeconomics of NEP', *The Economic History Review*, 46(4): 750-767;

Sah, R. K. and Stiglitz, J. E. (1984). 'The Economics of Price Scissors', *The American Economic Review*, 74(1): 125-38.

IV. The Soviet command economy under Stalin.

9. A macro view on Stalin's great leap forward

Allen, Robert C. (2004). *Farm to Factory: A Reinterpretation of the Soviet Industrial Revolution*. Princeton, N.J.: Princeton University Press;

Cheremukhin, Anton, Mikhail Golosov, Sergei Guriev and Aleh Tsyvinski. (2013). 'Was Stalin Necessary for Russia's Economic Development?', *NBER working paper*, <http://www.nber.org/papers/w19425> ;

Cheremukhin, Anton, Mikhail Golosov, Sergei Guriev and Aleh Tsyvinski. (2017). 'The Industrialization and Economic Development of Russia through the Lens of a Neoclassical Growth Model', *The Review of Economic Studies*, 84(2): 613-649.

10. Collectivization and famine

Naumenko, Natalya (2021). 'The Political Economy of Famine: the Ukrainian Famine of 1933'. *Journal of Economic History*, 81(1): 156-197.

Markevich, Andrei, Natalya Naumenko and Nancy Qian, (2021). 'The Political-economic Causes of the Soviet Great Famine, 1932-1933'. *Working paper*.

11. Foundations of the command economy.

Gregory, Paul R., and Mark Harrison. (2005). "Allocation Under Dictatorship: Research in Stalin's Archives." *Journal of Economic Literature*, 43(3): 721-61;

Lazarev, Valery and Gregory, P. (2006). 'Commissars and cars: A case study of the political economy of dictatorship,' *The Journal of Comparative Economics*, 31(1): 1-19.

12. Terror and punishment under Stalin.

Castaneda Dower, Paul, Andrei Markevich and Shlomo Weber (2021). 'The value of a statistical life in a dictatorship: Evidence from Stalin', *European Economic Review*, 133;

Rozenas, Arturas, and Yuri Zhukov. (2019). "Mass Repression and Political Loyalty: Evidence from Stalin's Terror by Hunger," *American Political Science Review*, 113(2): 569-583.

V. 'Late' socialism.

13. Soviet Economic decline.

Easterly, William, and Fischer, Stan. (1995). 'The Soviet Economic Decline,' *World Bank Economic Review*, 9(3): 341-371;

Markevich, Andrei and Ekaterina Zhuravskaya. (2011). 'M-form hierarchy with poorly diversified divisions: A case of Khrushchev's reform in Soviet Russia', *The Journal of Public Economics*, 95(11): 1550-60;

Ofer, Gur. (1987). 'Soviet Economic Growth: 1928-1985,' *The Journal of Economic Literature*, 25(4): 1767-1833.

14. Economics of shortage.

Harrison, Mark, and Kim, Byung-Yeon. (2006). 'Plans, Prices, and Corruption: The Soviet Firm Under Partial Centralization, 1930 to 1990,' *The Journal of Economic History*, 66(1): 1-41;
Kim, Byung-Yeon. (1999). 'The Income, Savings, and Monetary Overhang of Soviet Households,' *The Journal of Comparative Economics*, 27(4): 644-688;
Kim, Byung-Yeon. (2002). 'Causes of Repressed Inflation in the Soviet Consumer Market: Retail Price Subsidies, the Siphoning Effect, and the Budget Deficit,' *The Economic History Review*, 55(1): 105-127.

VI. Transition from plan to market.

15. Collapse of the system. Economics of transition.

Earle, John, David Brown, Scott Gelbach (2013). "Privatization", Chapter 7 in: Alexeev M. and S. Weber Eds. *The Oxford Handbook of the Russian Economy*. Oxford University Press;
Denisova, Irina, Markus Eller, Timothy Frye and Ekaterina Zhuravskaya (2010). "Everyone hates privatization but why? Survey Evidence from 28 Post-communist countries", *The Journal of Comparative Economics*, 40(1): 44-61.

VII. Long-run consequences

16. Long-run consequences of Russian history.

Acemoglu, D., T. Hassan and J. Robinson (2011). "Social Structure and Development: A Legacy of the Holocaust in Russia", *The Quarterly Journal of Economics*, 126(2): 895–946;
Becker, S., Grosfeld, I., Grosjean, P., Voigtländer, N., and Zhuravskaya, E. (2020). "Forced Migration and Human Capital: Evidence from Post-WWII Population Transfers," *American Economic Review*, 110(5): 1430-63.

Description of course methodology

Course is based on lectures and active participation of students in discussion.

Sample tasks for course evaluation

Write a 2-3 page referee report on the paper 'Commissars and cars: A case study of the political economy of dictatorship' by Valery Lazarev and Paul Gregory published in *The Journal of Comparative Economics*, 31(1): 1-19, in 2006.

Course materials

Recommended Textbooks for Illustrative Reading

Гайдар Е. Т. Долгое время. Россия в мире: очерки экономической истории. Москва, Дело, 2005.
Грегори, Пол. Экономический рост Российской империи (конец XIX – начало XX века): Новые оценки. М.: Росспэн. 2003.
Hanson, Phillip. Rise and Fall of the Soviet Economy: An Economic History of the USSR, 1945-1991. Longman: 2004.
Morys, Matthias (Editor). (2020). *The Economic History of Central, East and South-East Europe: 1800 to the Present*. Routledge.

Additional materials

On-line Russian historical statistics:

<http://www.ristat.org> - various regional indicators on economics and social development for five cross-sections (1795, 1858, 1897, 1959 and 2002);

<http://www.hist.msu.ru/Dynamics/> - time-series on various aspects of Russian development (national level) in the 19th – early 20th century;

<http://www.ggdc.net/maddison/> - Russian/Soviet statistics in cross-country comparison;
<http://src-home.slav.hokudai.ac.jp/database/SESS.html> - Soviet statistics;
http://www.hist.msu.ru/Labs/Ecohist/version/r_dataaba.htm - Russian statistics and some archival micro data;
<http://www.melgrosh.unimelb.edu.au/home.php> - The Melbourne Gateway to Research on Soviet History;
<http://www.demoscope.ru/weekly/pril.php> - population statistics;
<http://memo.ru/history/> - historical sources and statistics on political repression.
<http://history.nsc.ru/kapital/project/about.html> - historical sources and statistics on Siberia.

Academic integrity policy

Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated. Any evidence of plagiarism will be punished by a failure grade. REMEMBER: if you do not cite properly, you are already guilty in plagiarism.