

New Economic School  
2<sup>nd</sup> module  
October – December 2019  
Russian Economic History

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Office hours will be announced in the beginning of the module

**Aim:** The aim of the course is to provide a review of Russian economic history together with main concepts explaining economic development of the country. The course combines historical narrative with formal economic analyses; the course pays special attention to empirical evaluation of economic policies undertaken in the past. The learning outcome is that students will achieve working knowledge on Russian economic 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 19<sup>th</sup> and 20<sup>th</sup> 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 before, under and after socialism.

**Grading:**

5% in-class participation  
20% impromptu quizzes (I will conduct a number of impromptu quizzes during the lectures using the Socrative software, you will need a tablet to participate);  
25% referee-reports on scholarly papers (or other weekly assignments);  
50% on final exam.

Optionally (replaces final exam, i.e. 50%): undertake a course project (see instructions in a separate file), write a paper and present in class.

A non-failing grade for the final exam (or the paper if this option is chosen) and at least half of referee-reports (or other weekly assignments) with non-failing grades are requirements to pass the course.

**Anti-plagiarism policy:** Any evidence of plagiarism will be punished by a failure grade. REMEMBER: if you do not cite properly, you are already guilty in plagiarism.

**Textbook:** There is no single textbook for the course. Below I provide topics and the related papers, which I am going to cover in class.

**Introduction.**

1. Introduction. A quantitative review of Russian history: 1000-2000. Russian economic backwardness in historical perspective.  
Gerschenkron, Alexander. (1962). Economic backwardness in historical perspective, a book of essays, Cambridge, Massachusetts: Belknap Press of Harvard University

Press;

Markevich Andrei and Mark Harrison. (2011). 'Great War, Civil War, and Recovery: Russia's National Income, 1913 to 1928', *The Journal of Economic History*, 71(3): 672 – 703.

### **Russian empire as a development country**

#### 2. Economics of serfdom.

Dennison T.K. (2011). *The Institutional Framework of Russian Serfdom*. Cambridge: Cambridge University Press;

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.

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](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*, forthcoming;

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. (2019). 'Factory Productivity and the Concession System of Incorporation in Late Imperial Russia, 1894-1908,' *Working paper*

[https://www.dropbox.com/s/kfzb1v375v36bmu/Gregg\\_RussianCorporations\\_R2.pdf?dl=0](https://www.dropbox.com/s/kfzb1v375v36bmu/Gregg_RussianCorporations_R2.pdf?dl=0) ;

Grigoriadis, Theodoris 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.

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;

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.

### **Transition from market to plan.**

#### 7. The First World War and the Russian revolution.

Castañeda Dower, Paul and Andrei Markevich. (2019). 'Democratic Support for the Bolshevik Revolution: An Empirical Investigation of 1917 Constituent Assembly Elections', [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3059131](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3059131)  
Castañeda Dower, Paul and Andrei Markevich (2017). "Labor Misallocation and Mass Mobilization: Russian Agriculture during the Great War," *The Review of Economics and Statistics*, 100(2): 245-59;  
Gatrell, Peter. (2005). *Russia's First World War: A Social and Economic History*. London: Longman.

#### 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.

### **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 (2017). 'The Political Economy of Famine: the Ukrainian Famine of 1933'. *Working paper*  
<https://sites.northwestern.edu/nwl504/files/2017/10/Download-Job-Market-Paper-pdf-2lprf0p.pdf> .

#### 11. Foundations of the command economy.

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.  
Harrison, Mark. (1998). 'Prices, Planners, and Producers: an Agency Problem in Soviet industry, 1928-1950', *The Journal of Economic History*, 58 (4): 1032-1062.

#### 12. Terror and punishment under Stalin.

Gregory Paul R. (2009). *Terror by Quota. State Security from Lenin to Stalin. An Archival Study*. Yale University press.  
Castaneda Dower, Paul, Andrei Markevich and Shlomo Weber (2019). 'Value of Statistical Life in a Dictatorship. Evidence from Stalin', *Working paper*.  
[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3144676](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3144676) .

### **'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 Zhuravskay. (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.

#### **Transition from plan to market.**

##### 15. Collapse of the system. Economics of transition.

Ellman, Michael, and Vladimir Kontorovich Eds. (1992). *The Disintegration of the Soviet Economic System*. New York: Routledge;

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.

##### 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;

Buggle, Johannes and Stephen Nafziger (2019). "The Long-Run Consequences of Labor Coercion: Evidence from Russian Serfdom", *The Review of Economics and Statistics*, forthcoming.

Castañeda Dower, Paul and Andrei Markevich (2014). "A History of Resistance to Privatization in Russia", *The Journal of Comparative Economics*, 42(4): 855-873;

Grosfeld, I., A. Rodnyansky and E. Zhuravskaya (2013). "Persistent Anti-Market Culture: A Legacy of the Pale of Settlement after the Holocaust", *American Economic Journal: Economic policy*, 5(3): 189-226.

#### **Additional illustrative reading.**

##### *General works:*

Гайдар Е. Т. Долгое время. Россия в мире: очерки экономической истории. Москва, Дело, 2005.

Gregory, Paul R., and Stuart, Robert C. *Soviet Economic Structure and Performance*, Reading, MA: Harper & Row, 1974, revised 1981, 1986, 1990; revised as *Soviet and Post-Soviet Economic Structure and Performance*, Reading, MA: HarperCollins, 1994; revised as *Russian and Soviet Economic Structure and Performance*, Reading,

MA: Addison Wesley, 1998, 2001.

Nove, Alec. *An Economic History of the USSR*, 1st edn, London: Allen Lane, 1969; revised 1989; revised as *An Economic History of the USSR, 1917–1991*, London: Penguin Books, 1992.

*Imperial period:*

Грегори, Пол. *Экономический рост Российской империи (конец XIX – начало XX века): Новые оценки*. М.: Росспэн. 2003.

Gatrell, Peter. *The Tsarist Economy, 1850-1917*. London, 1986.

Gregory, Paul R. *Before Command: an Economic History of Russia from Emancipation to the First Five-Year Plan*. 1994).

*Transition from market to plan:*

Davies, R.W., Mark Harrison, & S.G. Wheatcroft (editors), *The economic transformation of the Soviet Union, 1913-1945*, Cambridge: Cambridge University Press, 1994.

*Stalinism:*

Allen, Robert C. *Farm to Factory: A Reinterpretation of the Soviet Industrial Revolution*. Princeton, N.J.: Princeton University Press, 2004 (there is a Russian translation of the book).

Gregory, Paul R. *The Political Economy of Stalinism: Evidence from the Secret Soviet Archives*, Cambridge: Cambridge University Press, 2003 (there is a Russian translation of the book).

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

*Late socialism and collapse:*

Hanson, Phillip. *Rise and Fall of the Soviet Economy: An Economic History of the USSR, 1945-1991*. Longman: 2004.

Ellman, Michael E. and Vladimir Kontorovich (editors). *The Destruction of the Soviet Economic System: an Insiders' History*, London: M.E. Sharpe, 1998.

**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 19<sup>th</sup> – early 20<sup>th</sup> 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\\_data.htm](http://www.hist.msu.ru/Labs/Ecohist/version/r_data.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.

