

Freie Universität Berlin
Department of Economics
Institute for East European Studies
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Room 105, Garystr. 55
Winter Semester 2022/23

Topics in Polish & Ukrainian Development

Office Hours

Upon request

Modules:

Topics in Economic Policy Analysis [Master Public Economics, Master Economics]
Aktuelle Forschungsfragen der internationalen Finanzpolitik (Current Research Topics on International Fiscal Policy) [Master Public Economics, Master Economics]
Methoden der Wirtschaftsgeschichte und der Ressourcenökonomie [Master East European Studies]

This course examines a selection of the major themes in the economic development of Poland and Ukraine. The first part of the course presents and discusses the political and economic environment of the region in the first part of the 20th century und up to World War II. The second part tracks the evolution and decline of the centrally planned economies by underscoring the comparative differences between the two economies under socialism. The third part of the course deals with transition and its challenges as well as with the conflict in Ukraine and the rise of populism in Poland.

This course will discuss a set of academic articles on the before-mentioned topics in-depth. Students are expected to read the articles for the seminar before class. Students are encouraged to formulate their own research questions, and in the process learn more about what makes a good question. Furthermore, students are asked to search for a (historical) map and use it to pose a research question in a small group and discuss it in the seminar. Suggestions for additional literature and readings on each topic are provided to assist in formulating a topic for the seminar paper. The grade of the course will be determined by the presentation and a seminar paper.

Course Content

I. Before the Revolution and the People's Republics

1. Serfdom and its Abolition in Eastern Europe
2. Pre-industrial Growth and the "Little Divergence"
3. The Second Polish Republic
4. The Great Depression and Poland's Exit from Gold

II. The Socialist Era

1. An Economic Perspective on the Ukrainian Famine
2. Forced Migration
3. Consequences of the Second World War
4. Falling Behind and Collapsed
5. The Enduring Effects of State Repression

III. After the Fall of Socialism

1. The Speed of Transition
2. Persistence of Socialism
3. The Socialist Woman
4. The Eastern Enlargement of the European Union
5. Ukraine between Conflict and Integration
6. Economics of Populism in Poland

Part I: Eastern and Central Europe before Socialism

The first part of the course deals with the period before socialism in Eastern and Central Europe, i.e. the period before the First World War and the inter-war years. The topics addressed in this part of the course provide an overview of the economic development and status quo in Eastern and Central Europe before World War I. Further, the divergence to the West of the continent as well as the situation of some newly emerging countries in Central Europe in the interwar period are addressed. We will discuss serfdom and its abolishment, as well as the so-called "little divergence" between the west and the east of Europe. As an example, for the autumn of nations in the inter-war period, the situation of the newly founded second Polish Republic will be examined in more detail, as well as the consequences of the Great Depression and Poland's exit from the gold standard.

1. Serfdom and its Abolition in Eastern Europe

Literature

- Markevich, Andrei, and Ekaterina Zhuravskaya. "The economic effects of the abolition of serfdom: Evidence from the Russian Empire." *American Economic Review* 108.4-5 (2018): 1074-1117. **[Seminar Presentation]**
- Buggle, Johannes C., and Steven Nafziger. "The slow road from serfdom: labor coercion and long-run development in the former Russian Empire." *Review of Economics and Statistics* (2017): 1-46.
- Millward, Robert. "An economic analysis of the organization of serfdom in Eastern Europe." *Journal of Economic History* (1982): 513-548.

2. Pre-industrial Growth and the "Little Divergence"

Literature

- Bukowski, Maciej, et al. "Urbanization and GDP per capita: New data and results for the Polish lands, 1790-1910." *Historical Methods: A Journal of Quantitative and Interdisciplinary History* 52.4 (2019): 213-227. **[Seminar Presentation]**

- Cummins, Neil. "Lifespans of the European elite, 800–1800." *The Journal of Economic History* 77.2 (2017): 406-439.
- De Pleijt, Alexandra M., and Jan Luiten Van Zanden. "Accounting for the "Little Divergence": What drove economic growth in pre-industrial Europe, 1300–1800?." *European Review of Economic History* 20.4 (2016): 387-409
- Malinowski, Mikołaj, and Jan Luiten van Zanden. "Income and its distribution in preindustrial Poland." *Cliometrica* 11.3 (2017): 375-404

3. The Second Polish Republic

Literature

- Grosfeld, Irena, and Ekaterina Zhuravskaya. "Cultural vs. economic legacies of empires: Evidence from the partition of Poland." *Journal of Comparative Economics* 43.1 (2015): 55-75. **[Seminar Presentation]**
- Trenkler, Carsten, and Nikolaus Wolf. "Economic integration across borders: The Polish interwar economy 1921–1937." *European Review of Economic History* 9.2 (2005): 199-231.
- Wolf, Nikolaus. "Path dependent border effects: the case of Poland's reunification (1918–1939)." *Explorations in Economic History* 42.3 (2005): 414-438
- Bukowski, Paweł. "How history matters for student performance. Lessons from the Partitions of Poland." *Journal of Comparative Economics* 47.1 (2019): 136-175.

4. The Great Depression and Poland's Exit from Gold

Literature

- Wolf, Nikolaus. "Scylla and Charybdis. explaining Europe's exit from gold, January 1928–December 1936." *Explorations in Economic History* 45.4 (2008): 383-401. **[Seminar Presentation]**
- Wandschneider, Kirsten. "The stability of the interwar gold exchange standard: Did politics matter?." *The Journal of Economic History* (2008): 151-181.
- Wolf, Nikolaus. "Should I stay or should I go? Understanding Poland's adherence to gold, 1928-1936." *Historical Social Research/Historische Sozialforschung* (2007): 351-368.
- Wolf, Nikolaus. "Scylla and Charybdis. explaining Europe's exit from gold, January 1928–December 1936." *Explorations in Economic History* 45.4 (2008): 383-401.
- Wolf, Nikolaus. "Europe's great depression: coordination failure after the first world war." *Oxford Review of Economic Policy* 26.3 (2010): 339-369.

Part II: The Socialist Era

The second part of the course addresses aspects of development during the socialist period of Poland and the Soviet Union. The selected topics provide an overview of different aspects of the economic history of those countries under state Socialism and discuss relevant issues for this region using selected examples and unique cases. We will discuss the economic consequences of two major historical events: The Second World War with the Holocaust and the Ukrainian famine. Furthermore, we will talk about trade and economic integration inside the Council for Mutual Economic Assistance, the Comecon. Finally, we will talk about the falling behind of socialist economics between 1950 and 1989 and the final fall and dissolution of the Soviet Union and State Socialism.

5. An Economic Perspective on the Ukraine Famine

Literature

- Naumenko, Natalya. "The political economy of famine: The Ukrainian famine of 1933." *The Journal of Economic History* 81.1 (2021): 156-197. **[Seminar Presentation]**
- Grada, Cormac O. "Making famine history." *Journal of Economic Literature* 45.1 (2007): 5-38.
- Markevich, Andrei, Natalya Naumenko, and Nancy Qian. The political-economic causes of the Soviet great famine, 1932–33. No. w29089. National Bureau of Economic Research, 2021.
- Naumenko, Natalya. *Economic Consequences of the 1933 Soviet Famine*. Mimeo, 2019.
- Rudnytskyi, Omelian, et al. "Demography of a man-made human catastrophe: The case of massive famine in Ukraine 1932-1933." *Canadian Studies in Population* 42.1-2 (2015): 53-80.

6. Forced Migration

Literature

- Becker, Sascha O., et al. "Forced migration and human capital: Evidence from post-WWII population transfers." *American Economic Review* 110.5 (2020): 1430-63. **[Seminar Presentation]**
- Charnysh, Volha, and Leonid Peisakhin. "The Role of Communities in the Transmission of Political Values: Evidence from Forced Population Transfers." *British Journal of Political Science* 52.1 (2022): 238-258.
- Charnysh, Volha. "Diversity, institutions, and economic outcomes: Post-WWII displacement in Poland." *American Political Science Review* 113.2 (2019): 423-441.

7. Consequences of the Second World War

Literature

- Charnysh, Volha, and Evgeny Finkel. "The death camp Eldorado: political and economic effects of mass violence." *American political science review* 111.4 (2017): 801-818. **[Seminar Presentation]**
- Acemoglu, Daron, Tarek A. Hassan, and James A. Robinson. "Social structure and development: A legacy of the Holocaust in Russia." *The Quarterly Journal of Economics* 126.2 (2011): 895-946. Grosfeld, Irena, Alexander Rodnyansky, and Ekaterina Zhuravskaya. "Persistent antimarket culture: a legacy of the pale of settlement after the holocaust." *American Economic Journal: Economic Policy* 5.3 (2013): 189-226.
- Waldinger, Fabian. "Bombs, brains, and science: The role of human and physical capital for the creation of scientific knowledge." *Review of Economics and Statistics* 98.5 (2016): 811-831.

8. Falling Behind and Collapse

Literature

- Vonyó, Tamás. "War and socialism: why eastern Europe fell behind between 1950 and 1989." *The Economic History Review* 70.1 (2017): 248-274. **[Seminar Presentation]**
- Vonyó, Tamás, and Alexander Klein. "Why did socialist economies fail? The role of factor inputs reconsidered." *The Economic History Review* 72.1 (2019): 317-345.
- Harrison, Mark. "Coercion, compliance, and the collapse of the Soviet command economy." *The Economic History Review* 55.3 (2002): 397-433.
- Lazarev, Valery. "Economics of one-party state: promotion incentives and support for the Soviet regime." *Comparative Economic Studies* 47.2 (2005): 346-363.

9. The Enduring Effects of State Repression

Literature

- Hager, Anselm, and Krzysztof Krakowski. "Does state repression spark protests? evidence from secret police surveillance in communist Poland." *American Political Science Review* 116.2 (2022): 564-579.
- Rozenas, Arturas, Sebastian Schutte, and Yuri Zhukov. "The political legacy of violence: The long-term impact of Stalin's repression in Ukraine." *The Journal of Politics* 79.4 (2017): 1147-1161.
- Rozenas, Arturas, and Yuri M. Zhukov. "Mass repression and political loyalty: Evidence from Stalin's 'terror by hunger'." *American Political Science Review* 113.2 (2019): 569-583.

Part III: After the Fall of Socialism

The third part of the course deals with the development after the revolutions of 1989 and the subsequent Autumn of Nations. First, we will talk about the speed of transition and the resulting strategies. Then, we will discuss potential consequences of these strategies: Especially about the mortality crisis in post-soviet countries and the large shadow economy. In the following, we talk about the remnants of socialism, especially about the effect of state socialism on economic and political preferences and the idea of the socialist woman and what is left of it today. Finally, we will discuss the effects of the Eastern Enlargement of the European Union, the economics of the connected conflict in Ukraine and the economic background of the recent rise of populism in Poland.

10. The Speed of Transition

Literature

- Popov, V. (2007) Shock therapy versus gradualism reconsidered: lessons from transition economies after 15 years of reforms. *Comparative Economic Studies*, 49: 1-31. **[Seminar Presentation]**
- Arrow, Kenneth J. "Economic transition: speed and scope." *Journal of Institutional and Theoretical Economics (JITE)/Zeitschrift für die Gesamte Staatswissenschaft* (2000): 9-18.
- Havrylyshyn, O. (2007) Fifteen Years of transformation in the post-communist world: Rapid reformers outperformed gradualists. *CATO Institute Development Policy Analysis No.4*.
- Dell'Anno, Roberto, and Stefania Villa. "Growth in transition countries: big bang versus gradualism." *Economics of Transition* 21.3 (2013): 381-417.

11. Persistence of Socialism

Literature

- Alesina, Alberto, and Nicola Fuchs-Schündeln. "Goodbye Lenin (or not?): The effect of communism on people's preferences." *American Economic Review* 97.4 (2007): 1507-1528. **[Seminar Presentation]**
- Lichter, Andreas, Max Löffler, and Sebastian Sieglöcher. "The long-term costs of government surveillance: Insights from stasi spying in East Germany." *Journal of the European Economic Association* (2016).
- Habibov, Nazim. "Who wants to redistribute? An analysis of 14 post-Soviet nations." *Social Policy & Administration* 47.3 (2013): 262-286.
- Dimitrova-Grajzl, Valentina, and Eszter Simon. "Political trust and historical legacy: the effect of varieties of socialism." *East European Politics and Societies* 24.2 (2010): 206-228.

12. The Socialist Woman

Literature

- Campa, Pamela, and Michel Serafinelli. "Politico-economic regimes and attitudes: Female workers under state socialism." *Review of Economics and Statistics* 101.2 (2019): 233-248. **[Seminar Presentation]**
- Brainerd, Elizabeth. "Women in transition: Changes in gender wage differentials in Eastern Europe and the former Soviet Union." *ILR Review* 54.1 (2000): 138-162.
- Lippmann, Quentin, and Claudia Senik. "Math, girls and socialism." *Journal of Comparative Economics* 46.3 (2018): 874-888
- Lovász, Anna. "Childcare expansion and mothers' employment in post-socialist countries." *IZA World of Labor* (2016).

13. The Eastern Enlargement of the European Union

Literature

- Campos, Nauro F., Fabrizio Coricelli, and Luigi Moretti. "Economic growth and political integration: estimating the benefits from membership in the European Union using the synthetic counterfactuals method." (2014). **[Seminar Presentation]**
- Epstein, Rachel A., and Wade Jacoby. "Eastern enlargement ten years on: transcending the east-west divide?." *JCMS: Journal of Common Market Studies* 52.1 (2014): 1-16.
- Epstein, Rachel A. "Overcoming 'Economic Backwardness' in the European Union." *JCMS: Journal of Common Market Studies* 52.1 (2014): 17-34.
- Toshkov, Dimiter D. "The impact of the Eastern enlargement on the decision-making capacity of the European Union." *Journal of European Public Policy* 24.2 (2017): 177-196

14. Ukraine between Conflict and Integration

Literature

- Zhukov, Yuri M. "Trading hard hats for combat helmets: The economics of rebellion in eastern Ukraine." *Journal of comparative economics* 44.1 (2016): 1-15. **[Seminar Presentation]**
- Bluszcz, Julia, and Marica Valente. "The Economic Costs of Hybrid Wars: The Case of Ukraine." *Defence and Peace Economics* (2020): 1-25.
- Langbein, Julia. "(Dis-) integrating Ukraine? Domestic oligarchs, Russia, the EU, and the politics of economic integration." *Eurasian Geography and Economics* 57.1 (2016): 19-42.
- Yunin, Oleksandr, Volodymyr Sevruk, and Sergiy Pavlenko. "Priorities of economic development of Ukraine in the context of European integration." *Baltic Journal of Economic Studies* 4.3 (2018): 358-365.
- Mykhnenko, Vlad. "Causes and consequences of the war in Eastern Ukraine: an economic geography perspective." *Europe-Asia Studies* 72.3 (2020): 528-560.

15. Economics of Populism in Poland

Literature

- Toplišek, Alen. "The political economy of populist rule in post-crisis Europe: Hungary and Poland." *New Political Economy* 25.3 (2020): 388-403. **[Seminar Presentation]**

- Bluhm, Katharina, and Mihai Varga. "Conservative Developmental Statism in East Central Europe and Russia." *New Political Economy* 25.4 (2020): 642-659.
- Grabowski, Wojciech. "Determinants of voting results in Poland in the 2015 parliamentary elections. Analysis of spatial differences." *Communist and Post-Communist Studies* 52.4 (2019): 331-342.
- Marcinkiewicz, Kamil. "The Economy or an Urban-Rural Divide? Explaining Spatial Patterns of Voting Behaviour in Poland." *East European Politics and Societies* 32.4 (2018): 693-719.
- Siemsen, Pascal. "Voting PiS: Voting Left when Voting Far-Right Populist?." *Polish Political Science Review* 8.1 (2020): 87-99.