



**ECO 44:  
The Transition Economies of Central Europe and the  
Former Soviet Union**

**Economics Department  
Faculty-Led Study Abroad  
June 22 – July 6, 2016**

**Professor's Info**

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**Course Description**

**Catalogue description:**

*The historical analysis of the Soviet Union and Eastern European economic systems is studied along with a focus on recent changes and related problems in the region.*

The main objective of the course is to provide a thorough understanding of transition process from centrally-planned to a market economy, lessons learnt and implications for contemporary economic development. As such the course is devised into three thematic blocks:

- I. Pre-transition period: understanding the underlying mechanisms of centrally-planned economy, incentives mechanism, political, economic and initial conditions. This should provide a fair understanding why there was a need for a transition, why it happened and how it started.
- II. Transition process and transformations: collapse of the Former Soviet Union, privatization, restructuring, firm performance, labor markets. This also includes clear reasoning of different transition policies and country/region differences, main problems, and success stories, thus understanding why some countries outperformed others and in what dimensions.
- III. Transition and contemporary economic development. This includes a critical analysis of implications and long-term consequences of different transition paths.

**Prerequisites**

There are no official prerequisites for this course but Introduction to Microeconomics, ECO 10 and/or Introduction to Macroeconomics, ECO 11 are strongly encouraged.

**Class Website and E-mail**

[LIUSlovenia.weebly.com](http://LIUSlovenia.weebly.com)

All the relevant information about this course can be found on this site and will be update regularly.

## **Course Objectives**

### **Academic development and intellectual growth**

This study abroad can...

- ✓ contextualize learning by linking it to local realities and related global dimensions.
- ✓ provide guided reflection on different ways of organizing an economy.
- ✓ provide structured opportunities for comparative analysis, critical and creative thinking, and problem-solving.

### **Personal growth**

Students can develop personally by...

- ✓ forming meaningful relationships and friendships with Slovenians through organized peer activities and socialization.
- ✓ reevaluating their values and personal ethics, facilitated by reflective journaling assignments and structured reflection sessions.
- ✓ expanding their comfort zone in a context of balanced challenge and support so as to enhance their ability to (inter)act in unfamiliar situations.

At completion of this course, students will be:

- ✓ informed about stylized facts about economic transition of Central Europe and the Former Soviet Union
- ✓ understand the difference in reform paths and strategies
- ✓ understand the differences in macroeconomic performance after liberalization
- ✓ able to compare policies of privatization and restructuring in various transition economies of Central Europe and the Former Soviet Union

## **Course Credits**

This is a 3-credit course. The New York State Education Department (NYSED) requires that for each credit hour there shall be at least 15 hours (of 50 minutes each) of instructions and at least 30 hours of supplementary assignments. Therefore, a 3-credit course shall meet for a minimum of 45 contact hours (lectures), each hour being 50 minutes for a total of 2,250 minutes and require at least 90 hours of supplementary assignments and readings outside of the lecture.

Supplementary assignments:

Readings = 30 hours per semester or approximately 2 hours per week

Assignments(graded and practice) = 60 hours per semester or approximately 4 hours per week

## **Readings Before the Trip**

Due to the intensive nature of the class, it is strongly urged that, as soon as you decide to take this class, you begin reading the assigned readings. In addition, the book *Globalization and Its Discontents* should be read before going to Slovenia.

## Required Textbooks

✓ *Comparing Economic Systems in the Twenty-first Century*, 7<sup>th</sup> edition by Paul R. Gregory and Robert C. Stuart. Abbreviation used for this book will be **GS**.

✓ *The Shock Doctrine*, Naomi Klein

## Additional Readings

✓ *Comparative Economics in a Transforming World Economy*, 2<sup>nd</sup> edition by J. Barkley Rosser, Jr. and Marina V. Rosser. Abbreviation used for this book will be **RR**.

✓ *Transition Economies after 2008: Responses to the crisis in Russia and Eastern Europe* edited by Martin Myant and Jan Drahokoupil

✓ *The Economics of Transition: From Socialist Economy to Market Economy* by Marie Lavigne

✓ *Transition Economies: Political Economy in Russia, Eastern Europe and Central Asia* by Martin Myant and Jan Drahokoupil

✓ *Transition and Economics: Politics, Markets, and Firms* by Gerard Roland (very technical)

✓ *The Socialist System: The Political Economy of Communism* by Janos Kornai

✓ *Slovenia: From Yugoslavia to the European Union* edited by Mojmir Mrak, Matija Rojec, and Carlos Silva-Jauregui

✓ *Socioeconomic History of Slovenia: From Medieval Roots to the European Union* by Bogomil Ferfila and Paul Phillips

✓ *The Land Between: A History of Slovenia* edited by Oto Luthar

## Grading

Attendance of ALL excursions, lectures, visits is MANDATORY! Your final grade will be decreased by 1% for any absence.

Your final grade will be based on:

|                                 |     |
|---------------------------------|-----|
| Blog/Journal Entries            | 20% |
| Book Journal                    | 20% |
| Quizzes                         | 20% |
| Research Paper                  | 20% |
| Participation                   | 15% |
| Website Design and Presentation | 5%  |

If you disagree with the grading of an assignment or exam you may submit it for my review. I will expect you to have a *written argument* for why you should be awarded more points. Also, please submit these disputes within one week of having been returned the assignment or test.

## Grading Scale

|            |    |
|------------|----|
| 92% - 100% | A  |
| 90% - 91%  | A- |
| 88% - 89%  | B+ |
| 82% - 87%  | B  |
| 80% - 81%  | B- |
| 78% - 79%  | C+ |
| 72% - 77%  | C  |
| 70% - 71%  | C- |
| 60% - 69%  | D  |
| 0% - 59%   | F  |

I reserve the right to lower these percentage cutoffs (i.e. I *might* make it easier to get a grade but I will *not* make it harder).

## Schedule

This is a tentative schedule. I will give you as much advance notice as possible concerning any changes. A detailed schedule for all the homework assignment and readings will be provided and updated regularly.

| Date:             | Itinerary  | Book readings  |
|-------------------|--|--|
| Wednesday June 22 | Departure from New York (JFK) – Venice (VCE) DL474<br>Departure 8:53 pm  |  |
| Thursday, June 23 | Arrival to Venice, 11:20 AM<br>Bus ride to Slovenia, settling in the hotel in Velenje in the evening<br>Dinner in Velenje  |  |
| Friday, June 24   | 8 am: Breakfast<br>9:30 am: Tour of Velenje, Tour of Velenje Castle<br>12:00 Lunch<br>Introduction to the course<br>7 pm: Dinner   | GS: Chapter 1: World Economic Systems in the Twenty-first Century<br>GS: Chapter 2: Definition and Classification of Economic Systems<br>GS: Chapter 3: Institutions, Systems, and Economic Outcomes<br>GS: Chapter 4: Changing Institutions<br>RR: Chapter 1: How do we compare Economies?<br>RR: Chapter 2: The theory and practice of market capitalism |
| Saturday, June 25 | Lectures/Study Time  | GS: Chapter 5: Theory of Capitalism<br>GS: Chapter 6: Theory of Planned Socialism<br>GS: Chapter 7: Theory of Market Socialism<br>RR: Chapter 3: The theory and history of Marxism and socialism   |
| Sunday, June 26   | 8 am: Breakfast in Velenje.<br>Tour of Ljubljana at 10 am<br>Overnight stay in Ljubljana in Hostel Celica  |  |
| Monday, June 27   | Lecture by Dr. Vlado Dimovski who was the State Secretary for Industry in the Government of Slovenia (1995-1997), the president of the Centre for International Competitiveness of Slovenia (1997-2000), and the Minister of Labor, Family and Social Affairs (2000-2004). He was also the consultant to the Prime Minister of Macedonian Government.<br>Tour of the University of Ljubljana |  |
| Tuesday, June 28  | 8 am: Breakfast<br>10 am: Tour of Velenje Castle   | RR: Chapter 14: Worker-s managed market socialism: the   |

|                    |   |   |
|--------------------|---|---|
|                    | 12 am: Lunch<br>4 - 6 pm: Lectures<br>7 pm: Dinner  | collapse of Yugoslavia and the success Slovenia   |
| Wednesday, June 29 | 8 am: Breakfast<br>9 am: Tour of Coal Burning Power Station (TES) in Sostanj<br>11 am: Museum of Leather production<br>1 pm: Lunch<br>3 pm: Paintings exhibition (Svetina)                | GS: Chapter 13: The Command Economies: Performance and Decline<br>GS: Chapter 14: An Introduction to Transition<br>GS: Chapter 15: Transition Economies: Output Patterns and Measurement Issues   |
| Thursday, June 30  | 8 am: Breakfast<br>9 am: Tour of the coalmine in Velenje<br>11 am: Lecture by Dr. Emil Strbenk (environmental impact of the industry)<br>1 pm: Lunch<br>4 - 6 pm: Lectures and Study Time | GS: Chapter 16: Transition: Models, Policies, and Approaches<br>GS: Chapter 17: Introducing Markets: Privatization and the Decline of Government  |
| Friday, July 1     | Tour of Lipica, Postojna, Predjamski Grad.<br>Overnight stay in Piran/Portoroz.   |   |
| Saturday, July 2   | From Piran to Venice and back.<br>Overnight Stay in Piran/Portoroz.   |   |
| Sunday, July 3     | Tour of Bled, adrenalin park in Bohinj, Visit to the Vintgar Gorge, trip to Vogel   |   |
| Monday, July 4     | Lectures and Study Time   | GS: Chapter 18: The Macroeconomy: Fiscal and Monetary Issues<br>GS: Chapter 19: Transition and the Global Economy: International Trade and Finance<br>GS: Chapter 20: Transition and the Safety Net<br>GS: Chapter 21: Perspectives on Transition Performance Since the 1980s |
| Tuesday, July 5    | Lectures and Study Time   |   |
| Wednesday, July 6  | Departure back to the US<br>Departure from Venice 1:20 pm<br>Arrival to New York (JFK) at 4:44 pm   |   |