

Syllabus of the course: “Russian economy: Opportunities and challenges of doing business”,

Fall 20021

Timetable of the course

<i>Time</i>	<i>Lecture title</i>	<i>Lecturer</i>
Mon 01.11.21 10:15-12:00	Lecture 1 Economic history of Russia	Dr. Svetlana Ledyaeva
Wed 03.11.21 10:15-12:00	Lecture 2 Russia`s economic transformation	Dr. Svetlana Ledyaeva
Mon 08.11.21 10:15-12:00	Lecture 3 Sectorial Analysis of Russian Economy	Dr. Svetlana Ledyaeva
Wed 10.11.21 10:15-12:00	Lecture 4 Economic Geography of Russia	Dr. Svetlana Ledyaeva
Mon 15.11.21 10:15-12:00	Lecture 5 Labor market in Russia	Dr. Svetlana Ledyaeva
Wed 17.11.21 10:15-12:00	Lecture 6 Russian economy in Ukraine-Russia crisis. Economics and Politics	Dr. Svetlana Ledyaeva
Mon 22.11.21 10:15-12:00	Lecture 7 International Economic/Political Relations of Russia: Past, Present and Future	Dr. Svetlana Ledyaeva
Wed 24.11.21 10:15-12:00	Lecture 8 Eurasian economic integration	Dr. Svetlana Ledyaeva
Mon 29.11.21 10:15-12:00	Lecture 9 Russian railways	PhD candidate Marta Malik
Wed 01.12.21 10:15-12:00	Lecture 10 Financial sector in Russia: Past developments and current situation	Dr. Laura Solanko
Tue 07.12.21 10:15-12:00	Lecture 11 Anti-crisis state policy in Russia: Current perspective	Dr. Vera Kononova
Wed 08.12.21 10:15-12:00	Lecture 12 Presentations of the group homework.	Dr. Svetlana Ledyaeva

LEARNING OUTCOMES

Students will augment their understanding and knowledge of the Russian economy. The focus of the course is on general structure of the Russian economy, main principles of its functioning and its place and role in the world economy.

CONTENT

The course provides an introduction to the Russian economy. We will begin with the insight into economic history of Russia from Tsar Period (starting from Peter the Great) and proceed to the years of transition from Soviet to market economy. We then progress to the discussion of current issues of the economic development of Russia. These issues include economic geography of Russia, Russian financial system, sectorial analysis of the Russian economy, international economic relations of Russia with the rest of the World and some others. Special attention will be given to the current situation in Russia, i.e., Russian economy under sanctions. This will include such issues as the economic and political causes of Russia-Ukraine crisis, Western sanctions on Russia and countersanctions of Russia, the consequences of sanctions for Russia, its main partners and global economy in general.

ASSESSMENT METHODS

One individual homework / essay, 15% of the grading

Case study/group homework, 15% of the grading

Case study presentation, 10% of the grading

Term paper, 40% of the grading

Final exam, 20% of the grading

WORKLOAD

Lectures 22h

Home assignments 20h

Term paper 50h

Class presentation 10h

Preparing for lectures 20h

Revision/self-study 20h

Preparation for exam 15h

Exam 3h

Total: 160h

SCHEDULE

Lecture 1 Economic history of Russia

Lecturer: Svetlana Ledyeva

Brief description: In this lecture the history of the Russian economy from the Tsar Russia (starting from Peter the Great) to Soviet Union (up to Brezhnev period) will be discussed. In this discussion particular attention will be given to political institutions, political and economic environment, and the history of economic system's transformation in Russia.

Reading:

Alexeev, M., & Weber, S. (Eds.). (2013). *The Oxford handbook of the Russian economy*. Oxford University Press. CHAPTER 3

Lecture 2 Russia's economic transformation

Lecturer: Svetlana Ledyeva

Brief description: In this lecture Russia's economic transition from the year of 1989 will be discussed. We will focus on the stages of transition, reforms, privatization, and consequences of the transition for Russia's economic development.

Reading:

Alexeev, M., & Weber, S. (Eds.). (2013). *The Oxford handbook of the Russian economy*. Oxford University Press. CHAPTER 4

Alexeev, M., & Weber, S. (Eds.). (2013). *The Oxford handbook of the Russian economy*. Oxford University Press. CHAPTER 6

Lecture 3 Sectorial Analysis of Russian Economy

Lecturer: Svetlana Ledyeva

Brief description: In this lecture we will talk about structural changes in the Russian economy in recent three decades. The discussion will include an in-depth analysis of main industries and the concept of Dutch disease and its application to Russia.

Reading:

Mironov, V. V., & Petronevich, A. V. (2015). Discovering the signs of Dutch disease in Russia. *Resources Policy*, 46, 97-112.

Lecture 4 Economic Geography of Russia

Lecturer: Svetlana Ledyeva

Brief description: In this lecture the following issues will be discussed: 1) Physical geography of Russia (i.e. natural constraints to the distribution of economic activity over the territory), including geography of natural resources, climate, and land quality in modern Russia; 2) Population geography of Russia: history and modern patterns (including migration); 3) Economic Geography of Russia, including distribution of economic activities across Russia; Russian urban system (size, location, functions of Russian cities); Russian regions (economy, growth, investment, inequality); industrial clusters.

Reading:

Markevich, A., & Mikhailova, T. (2013). Economic geography of Russia. *The Oxford handbook of the Russian economy*, 617-642.

Lecture 5 Russian railways

Guest lecturer: Marta Malik, PhD student at Aalto BIZ, former employee of Russian railways

Brief description: Russian railways` geography and functioning will be discussed.

Lecture 6 Labor market in Russia

Lecturer: Svetlana Ledyeva

Brief description: In this lecture, we first discuss the educational system in Russia (with emphasize on the professional education, i.e., college and university education). Next, we proceed to the issues on the Russian labor market and how it has been evolving over the last three decades.

Reading:

Gimpelson, V., & Kapeliushnikov, R. (2011). Labor market adjustment: is Russia different?

Kaganovich, M. (2012). Reform of Higher Education Finance and Access to College in Russia. *CESifo DICE Report*, 10(4), 54-61.

Gimpelson, V. (2019). The labor market in Russia, 2000-2017. *IZA World of Labor*, (466).

Lecture 7 Russian economy in Ukraine-Russia crisis. Economics and Politics

Lecturer: Svetlana Ledyeva

Brief description: In this lecture we will discuss economic and political causes and consequences of Ukraine-Russia crisis, Western sanctions on Russia and countersanctions of Russia against the West and Russia's economic development under sanctions.

Reading:

Běllín, M., & Hanousek, J. (2020). Which sanctions matter? Analysis of the EU/Russian sanctions of 2014. *Journal of Comparative Economics*.

Lecture 8 International Economic/Political Relations of Russia: Past, Present and Future

Lecturer: Svetlana Ledyeva

Brief description: In this lecture we will discuss international investment and trade cooperation of Russia. Special focus will be given to the changes in this cooperation during Ukraine-Russia crisis.

Reading:

Kuzmina, O., Volchkova, N., & Zueva, T. (2014). Foreign direct investment and governance quality in Russia. *Journal of Comparative Economics*, 42(4), 874-891.

Tovar-García, E. D., & Carrasco, C. A. (2019). Export and import composition as determinants of bilateral trade in goods: evidence from Russia. *Post-Communist Economies*, 31(4), 530-546.

Lecture 9 Eurasian economic integration

Lecturer: Svetlana Ledyeva

Brief description: In this lecture, economic (and political [when relevant]) relationships of Russia with former soviet states and relevant international organizations will be discussed. Issues related to current Russia's relationships with Ukraine and Belorussia, Commonwealth of Independent States and Eurasian Union/integration will be given special consideration.

Reading:

Yeliseyev, A. (2019). The Eurasian Economic Union: Expectations, Challenges, and Achievements. *The German Marshall Fund of the United States*.

Lecture 10 Financial sector in Russia: Past developments and current situation

Guest lecturer: Dr. Laura Solanko, Senior Economist, Bank of Finland Institute of Economics in transition (BOFIT)

Brief description: Banking system and the development of financial market in Russia will be discussed.

Lecture 11 Anti-crisis state policy in Russia: Current perspective

Guest lecturer: Dr., Vera Kononova, Senior Researcher, Institute for Complex Strategic Studies, Moscow; Associate Professor, Lomonosov Moscow State University Business School.

Brief description:

In this lecture we will focus on fiscal and monetary policy issues of Russian Government and the Central Bank of Russia during the crisis in 2014-2015, including the Anti-crisis plan of the Russian Government, re-consideration of budget spending, recapitalization of banks. We will also discuss the controversy of inflation targeting goals set by the Central Bank of Russia and the necessity to support the economy in crisis. The specific attention will be put on the budget subsidies aimed to lower the interest rates for home loans, car loans and loans for SME.

Lecture 12 Presentations of the group homework.

ASSIGNMENTS

The term paper:

The paper is to be written in English by each student (i.e. individually).

The essay should consist of a coherent presentation and discussion of a particular issue related to the course topics. Preferably, the paper should include introduction, main body, and conclusions.

The paper/essay should contain list of references. Furthermore, it is strongly recommended to cite references in the body of the essay.

The paper should be well focused.

The term paper should be approximately 7-10 pages (font size 12, space 1.5).

The paper will be checked for plagiarism by Turnitin system.

For further details and list of term paper topics, see instructions at the course webpage.

You also can choose your own topic for term paper but need to discuss it with instructor.

Individual homework (essay):

Please, write your homework (essay) in English. It should be about 2-3 pages (font size 12, space 1.5).

The questions for this homework and detailed instructions are uploaded on the course webpage.

Group homework (case study report and presentation):

Groups should include up to 6 students.

Please, use the "choice group" option in MyCourses course webpage to form the groups.

The group homework is based on case study on Russian large agricultural company.

Please, write your homework in English.

Detailed instructions for this homework (including instructions for writing report and making presentation) are available on the course webpage.

List of topics for term paper

1. Peter the Great and the Emergence of Russian economy
2. Tsarist Russian economy. Why Tsarism had not survived in 1917?
3. Was Stalin's economic transformation of Russia successful?
4. Russian mafia: Economic issues
5. Russia's oligarchs: Economic issues
6. The 1998 Russian financial collapse: a wake-up call or a missed opportunity?
7. Russia vs. USA: Comparison of economies
8. Ukraine-Russia crisis in 2014-to present. The economic consequences of "sanctions" war (for

9. Russia, Ukraine, and the West)
10. Russia and the other BRICs (Brazil, China, India): comparison of the four economies
11. Economic cooperation within BRICs: Role of Russia
12. Russian industries` development (any industry can be examined)
13. Banking system of Russia. The evolution and recent sanctions` effects
14. Development of financial markets in Russia
15. Establishing and operating company in Russia. What could be the major difficulties?
16. Key factors of Russia`s economic development: opportunities and weaknesses
17. How global financial crisis affected the Russian economy?
18. The Two Capitals of Russia: Moscow and St. Petersburg cities` economies
19. Russia and Belarus: Economic cooperation
20. Russian and Kazakhstan: Economic cooperation
21. Eurasian Union – an alternative to European Union?
22. Special economic zones in Russia
23. Economic inequality in Russia
24. The role of government in the Russian economy.
25. Finnish companies in the Russian economy: Overview
26. Largest companies in Russia. What is their role in the Russian economy?
27. Economic reforms in Russia. Were they ever effective?
28. Russian corporations and banks abroad
29. Who are middle class in Russia?
30. Shadow economy in Russia