University of Pittsburgh

Russia and East European Study Center

Department of Economics

May 2019

**ECON 1710A: Economic Policy Analysis in Ukraine**

**Syllabus**

The course is designed for students who are interested in the contemporary economic policy issues and would like to learn about economic policy design and implications in the Eastern European economy. Students will receive 3 credits for this course.

Professors:

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Hosting institution in Ukraine:

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| Kyiv School of Economics Dmytrivska Street, 92-94, Kyiv 02000Tel: +380 44 492 8012E-mail: info@kse.org.ua |  |

Class meets 9:30-11:00 am: Dmytrivska Street, 92-94, Kyiv, 02000 Ukraine

**Course Objectives**

This course introduces undergraduate students to the economic and political history, economic reforms and policy making in Ukraine after the dissolution of the Soviet Union. Upon completion of this course students will be able to:

* Analyze political and economic developments in Eastern Europe since 1980s
* Compare current socio-economic and political situation in Ukraine with the neighboring states
* Understand the key industries and strategic priorities of the country
* Evaluate the geo-political situation, the impact of the European Union and Russia on Ukraine’s economy
* Learn about factor markets, international trade, banking, debt, investments and country risks
* Understand how economic policies are designed and implemented in Ukraine
* Explain the impact of macroeconomic policies, monetary policy, fiscal policy, international trade policy, as well as policies regulating agricultural sector, education, health care, and IT and telecommunication in Ukraine

The idea of this course is to engage undergraduate students in the work of economic policy making and to broaden the university undergraduate research in response to a proliferation of complex economic policy challenges in Ukraine. The course offers undergraduate students the opportunity to:

* explore real-world challenges identified by the government of Ukraine and international donor agencies
* work under the guidance of faculty members with expertise in a field related to the economic policy project
* interact with the state officials several times throughout the semester and discuss the challenges of economic policy making
* contribute directly to the policy-making process with reservoir of students’ intellectual capital

The course will cover the basics of macroeconomic policies, including monetary policy, fiscal policy, international policy; government regulations of markets with price controls, quotas, auctions and subsidies; economics of national defense, environment, education and health care. The students will have an opportunity to meet and interview economic policy makers and experts in Ukraine, chose the project of their interest and design and analyze the policy as part of their independent research project under mentorship of two faculty experts. At the end of the course, students should produce a research paper analyzing current political and economic issue in Ukraine, and critically evaluate available policy options.

**Prerequisites**

* Background in Economics (i.e., high-school Economics course), with working understanding of basic micro- and macroeconomic terminology. Prior to attending the trip, students are encouraged (but not required) to take any of the following courses: Introduction to Macroeconomics, Introduction to Microeconomics, International Economics, Economics of Development.

**Text and Reference Material**

Aslund A. and G. De Mentil, Economic Reform in Ukraine (2000), M.E. Sharpe: 2000, ISBN 9780765606242

Bruk T. In the Grip of Transition: Economic and Social Consequences of Restructuring in Russia and Ukraine. ISBN: 9780230303102, Palgrave MacMillan: 2012

S. Osfinosky. Ukraine. Nations in Transition. Facts on File, Inc.: 2004, ISBN 9780816051151

Journal of Comparative Economics: Special Issue. Ukraine: Escape from Post-Soviet Legacy, ed. Y. Gorodnichenko and T. Mylovanov, 2016, Vol.44

The White Book of Reforms, Kyiv School of Economics, 2018

Kushnirsky, F. and Maksymenko, S. Ukraine’s Regional Economic Growth and Analysis of Regional Disparities, University of Pittsburgh working paper, 2017.

VoxUkraine editorials, <http://voxukraine.org>

International Monetary Fund. Ukraine: Staff Report for the 2018 Article IV Consultation.

International Monetary Fund. Ukraine: Staff Report for the 2017 Article IV Consultation.

**Class rules**

Student’s presence in the classroom is required. Students must arrive and be at their seats before the time the class starts. If you face an emergency, notify us as soon as possible by phone or e-mail. While in class, we will not allow students to make noise or otherwise distract their classmates. If you want to ask a question, raise your hand and we will call on you. The use of cellular phones, pagers, and other similar devices is prohibited.

**Students with disabilities**

Any student with a need for special accommodation due to disability should inform me of this. The Disability Resources and Services Office (216 William Pitt Union, 412-624-7890) will verify disability and will coordinate needed accommodations

**Course Requirements**

This is a writing course. All writing assignments will be posted on the Courseweb (<http://courseweb.pitt.edu>), with the deadlines reported in the Course Calendar below. We do not offer any extensions. Students are encouraged to work in groups, should their economic policy interests match. Please inform us about working in a team.

**Academic Integrity**

Students are responsible for familiarizing themselves thoroughly with the university policy of academic integrity and for adhering to it. The rules can be found on the University's Academic Integrity Policies site (Policy 02-03-02, <http://www.bc.pitt.edu/policies/policy/02/02-03-02.html>). To make a story short: any student caught cheating will fail the course.

**Help**

The material of the course might be challenging. Many policy makers whom we are going to meet and interview are not native English speakers and speak with accent. If you do not understand something, please do not hesitate to be pro-active and ask questions. You will have a great – and unique - opportunity to communicate directly with the policy experts and rely on their help in your research study.

**Grading**

Attendance is required but not graded. We will take attendance randomly. Participation in discussions activities in the class is the only extra credit we offer (provided you end up on a grade margin). There will be no curving.

A course grade is computed with the following weights:

* Participation in class policy discussions 10 percent
* Presentation of the policy research 20 percent
* 15-20 page policy paper 70 percent

out of these, 50% weight is placed on the original (first) version and 20% weight is placed on the final version with incorporated improvements after we provide a feedback to the original version

We will compute student’s course grade by incorporating scores earned on the assessments weighted as indicated above. A student fails the class if a so determined course score is below 60. The rest are graded based on the following scale:

90-100 A-, A, and A+

80-89 B-, B, and B+

70-79 C-, C, and C+

60-69 D-, D, and D+

**Course Calendar**

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| **Dates** | **Topic for a Lecture /Activity** |
| April, TBA | Program orientation, REES/SAO conference room |
| Sat, May 25 | Departure for Kyiv, Ukraine |
| Sun, May 26 | Morning: Arrive to Kyiv International Airport (KSE airport pick-up)Accommodation in Kyiv (arranged by KSE)Afternoon: post-arrival orientation in the KSE – safety procedures, useful websites, money exchange, survival Ukrainian (1h)Walk in the neighborhoodEvening: Welcome dinner at the Ukrainian restaurant |
| Mon, May 27 | Lecture 1: Introduction. Overview of the country: history, politics, and economy since 1991. Macroeconomic stabilization policies. International development agencies policy framework (1.5h)Out-of-classroom experience (Tour guide arranged by KSE):After discussing the history and developments of Ukraine after 1991 in class, we will have a 4h tour of Kyiv. The tour is part of the academic program. It will give students a historic perspective on the life in the country after the collapse of the Soviet Union, the architecture of the capital city, and its prominent historic sites. We will contextualize what we have seen in our visit next morning. |
| Tue, May 28 | Lecture 2: Modern Ukraine’s Politics and Political Parties (Guest lecturer in Political Science – Andres Umland or Mikhail Minakov) (1.5h)Meeting with the members of the Parliament from different political parties and the KSE students (1.5h) The objective is to actively engage students into the current political issues and debatesAfternoon: Visiting the Museum of Holodomor (1.5h) |
| Wed, May 29 | Lecture 3: Monetary policy analysis. National Bank of Ukraine (NBU) and the policy challenges (1.5h)Interactive activities: Meeting with the members of the NBU, Head of the Department of Macroeconomic Forecasting for the policy discussions. Students will learn how various monetary policies are designed and implemented in Ukraine, and the current policy challenges (1h) |
| Thur, May 30 | Lecture 4: Ukraine and the neighboring states. International Trade and Foreign Direct Investment in Ukraine (1.5h)Meeting with the representatives of the National Investment Council (1h)Readings: handout and the *IMF Country Report.* Out-of-classroom activities: business visit to a company with foreign capital – Coca Cola. This visit is part of the academic program. Trip will last approximately 3h. Learning objectives: to see how manufacturing of soft drinks is organized in Ukraine; to learn about challenges and regulations of soft drinks market in Ukraine; to learn about company’s trading partners and international relations; to understand why foreign companies invest in Ukraine; to compare Ukraine’s market developments with the US market; and to understand the strengths and weaknesses of doing business in Ukraine |
| Fri, May 31 | Lecture 5: Fiscal Policy Analysis (1h)*Short Break*Lecture 6: Government regulations of markets with price controls, quotas, auctions and subsidies (1.5h)Interactive activities: Meeting with Max Nefyodov, First Deputy Minister, Ministry of Economic Development and Trade of Ukraine The objective of this activity is to discuss the past challenges in government procurement and the solutions that Prozorro system offers. We will also compare the government procurement policies in other countries. |
| Sat, June 1 | Lecture 7. How to write and present academic paper effectively? (2h)This workshop will teach students how to write a research paper and how to present it effectively. We will also offer tips for developing public speaking and strategic debate skills.Afternoon – free. We will distribute a list of suggested places to visit.Evening: cultural activities/event |
| Sun, June 2 | Free day in Kyiv |
| Mon, June 3 | Lecture 8: Economic Policies in Labor Markets. Pension Reform (1.5h)Out-of-classroom activity: given the monthly state pension average, we will visit Bessarabka market to evaluate consumer basket that Ukrainian pensioners can afford per month. This visit is part of academic program. It will allow students to compare the standard and the cost of living in Ukraine and the US, and think about policy needs (1.5h) |
| Tue, June 4 | Lecture 9. Energy Policy of Ukraine (on the bus) Academic trip to the city of Prypiat and Chornobyl, the site of the 1986 nuclear disaster. This trip will last 7-8h, and is part of the academic program. While on the bus, we will provide an overview of Ukraine’s Energy Policy. Objectives of the visit: to understand the strategic importance of the city of Prypiat and Chornobyl nuclear plant in 1980s, to discuss the environmental consequences of the nuclear disaster, to review availability of various energy sources in Ukraine, challenges in energy policy making, and options for alternative energy in Ukraine |
| Wed, June 5 | Lecture 10: Policies in Education and Education Reform in Ukraine (1.5h)Out-of-classroom activities: meeting with the KSE students, and visit to Tavria University to discuss challenges for students from annexed territories (1.5h)Free evening |
| Thur, June 6 | Lecture 10: Health Care Policies and Health Care Reform (1.5h)Out-of-classroom activity: meeting with the representatives of Ukraine’s Ministry of Health to discuss the 2018 health care reform in Ukraine. Policy reform pros and cons, as seen by different social groups in Ukraine (1h)Afternoon - free |
| Fri, June 7 | *Students research presentations (2h)* |
| Sat, June 8 | *Students research presentations (2h)**First version of the paper is due. We will provide feedback within 3-4 days*Afternoon: Lecture 11: Closing lecture. Q&A session (1.5h) |
| Sun, June 9 | Free day6:30pm: Good-bye dinner |
| Mon, June 10 | Departure dayAirport or train station drop-off (organized by KSE) |
| Mon, June 17 | *Final version of the paper is due: please incorporate peer feedback from your presentation and our suggestions for paper improvements* |

*Please take a moment to fill in our teaching evaluation survey on-line. We put a lot of efforts to organize the policy meetings and select the most interesting policy project for you. We appreciate your feedback about this brand new course at our department in advance!*