

# Comparative Economic Systems

ECON 454-001 CRN 89035

Monday Wednesday 4:00-5:15PM

Business and Economics Building Room 347

Fall 2013, 3 Credits

Lecture

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Instructor: **Kathleen Sheehan**

Office Hours: Monday, Wednesday 12:30-3:30PM or by appointment

Office address: 412 Hodges

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Class Website: <http://ecampus.wvu.edu>

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## Required Text:

Kornai, János, *The Socialist System: The Political Economy of Communism*. New Jersey: Princeton University Press, 1992, ISBN: 0-691-00393-9

## Recommended Text:

Gregory & Stuart, *Comparative Economic Systems in the Twenty-First Century*, 7th ed. 2004, ISBN: 0-618-26181-8

Baumol, William J. et al. *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity*. Yale University, 2007, ISBN: 0-300-15832-7

We will also be using articles from the *Economist* and from the *Wall Street Journal* to help see how class topics are important in current events.

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## Course Description and Objective

Comparative economics systems is the study of the effects of economic systems on observed economic outcomes. We will examine both theoretical and empirical implications of two primary systems and their variants: capitalism and planned socialism. This is not a straightforward task, as economic outcomes are subject to many other things – e.g., development levels, politics, geography, climate, and culture.

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**Prerequisites:** Students must have successfully completed ECON 201 and ECON 202

**Method of Instruction:** Lecture

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There will be ten participation quizzes, one midterm, 11 short summaries, and a final (which is cumulative). The grading weights are as follows:

<u>Assignment/Tests</u>	<u>Percent of Grade</u>
10 Participation Quizzes	10%
Summaries	30%
Midterm (Oct 9)	30%
Final (Dec 16)	30%

#### Grading Scale

A	89.5%-100%
B	79.5%-89.49%
C	69.5%-79.49%
D	59.5%-69.49%
F	0%-59.49%

**Midterm: Wednesday, October 9**

**Final: Monday, December 16 3:00-5:00PM**

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#### **Participation**

Attendance is not required, but is strongly recommended. Participation quizzes will be given randomly throughout the semester. These quizzes will primarily consist of short essay questions, which are a good indicator of possible midterm and final exam essay questions. These quizzes will usually be given at the start of class and I do not give make-ups for any reason (including arriving after the quiz has been distributed). Quizzes often involve explaining class material in your own words and as such, provide you with useful feedback regarding your understanding of the course material.

#### **Summaries**

Students will be expected to read roughly 50 pages of material each week and write summaries outlining their understanding of the literature. The summaries are designed to keep students up to date with the readings. I will distribute the summary requirements in class along with the syllabus and course outline. I will also post each of these on eCampus. The course outline will contain links to readings not found in the chapters of our required text. There are 11 summaries assigned, I will drop your lowest summary score and 10 will count towards your grade.

Summaries will be **due by the beginning of class each Wednesday.**

## **Midterm and Final**

Make-up exams will only be given in cases of emergencies or reasons otherwise specified by the university. If you are going to miss a test due to a university sanctioned event, you must let me know before the test so arrangements can be made.

The midterm will take place **Wednesday, October 9** in class.

Everyone will take the final exam on **Monday, December 16** from **3:00-5:00PM**, no exceptions. Cheating will not be tolerated and will result in a zero for that test. Please be on time.

## **Class Preparation**

Please review your notes prior to the class lecture. It is recommended that you exchange email addresses with your classmates to get any missed notes, I do not give out copies of my notes.

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**Tentative Topic Structure** (with corresponding chapters from the *Comparative Systems* text)

### **Part I: Classification of Economic Systems**

Chapters 1, 2

### **Part II: Performance Criteria of Economic Systems**

Chapter 3

### **Part III: Models of Economic Systems**

- a) Capitalism: Chapter 5
- b) U.S. Resource Allocation: Chapter 8
- c) Planned Socialism: Chapter 6
- d) Former USSR Resource Allocation: Chapter 11
- e) Market Socialism/Yugoslavia: Chapter 7

### **Part IV: Performance of Economic Systems**

Chapter 13

### **Part V: Transition to Capitalism**

- a) Introduction: Chapters 14 – 22
  - b) Russia
  - c) China
  - d) Poland, Czech Republic, & Hungary
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**Days of Special Concern:**

WVU recognizes the diversity of its students and the needs of those who wish to be absent from class to participate in Days of Special Concern, which are listed in the Schedule of Courses. You should notify me by email by the end of the second week of classes or prior to the first Day of Special Concern, whichever is earlier, regarding Day of Special Concern observances that will affect your attendance. Other than that all students must abide by the attendance policy as stated above. I will make reasonable accommodation for tests that you may miss as a result of observing a Day of Special Concern.

**Statement of Social Justice:**

West Virginia University is committed to social justice. I concur with that commitment and expect to foster a nurturing learning environment based upon open communication, mutual respect, and non-discrimination. Our University does not discriminate on the basis of race, sex, age, disability, veteran status, religion, sexual orientation, color or national origin. Any suggestions as to how to further such a positive and open environment in this class will be appreciated and given serious consideration.

If you are a person with a disability and anticipate needing any type of accommodation in order to participate in this class, please advise me and make appropriate arrangements with Disability Services (293-6700).

**Policy on Academic Dishonesty:**

West Virginia University expects every member of its academic community to share the historic and traditional commitment to honesty and integrity. Academic dishonesty is defined to include but is not limited to the following: plagiarism; cheating and dishonest practices in connection with examinations, papers and projects; forgery, misrepresentation and fraud. Such behavior will not be tolerated and will be handled according to university guidelines (please refer to your Student Handbook for details).

**Important Dates:**

Sept 2: Labor Day, no class

Oct 9: Midterm

Oct 14: Oct 15: Fall break, no class

Oct 15: Last day to drop class with 'W'

Nov 25: Nov 29: Fall recess, no class

Dec 9: Last day of class

Dec 16: Final, 3:00-5:00PM

**Please Note – The instructor reserves the right to change this syllabus as time and circumstances dictate. Necessary changes will be announced in class and a copy of the revised syllabus will be sent posted on eCampus.**

## Summary Requirements

Summaries are to be typed in the following format:

**Font:** Times New Roman

**Spacing:** Double

**Margins:** 1" top, bottom, and sides

**Length:** 1-2 pages each. If your paper is 2 pages, please staple.

**Header:** Econ 454, Summary [#], [First Name, Last Name]

DUE DATE	TOPIC	READINGS
Due Wednesday, Aug. 28 <b>Summary 1</b>	Economic Growth	<b>Summary 1:</b> Baumol (2007) Chapters 2 and 3  (find chapters on eCampus)
Due Wednesday, Sept. 4 <b>Summary 2</b>	Ideology	<b>Summary 2:</b> Kornai (1992) Chapter 4 and Rand (1967) Chapter 1  (find Rand ch. 1 on eCampus)
Due Wednesday, Sept. 11 <b>Summary 3</b>	The State: Capitalism vs. Socialism	<b>Summary 3:</b> Kornai (1992) Chapter 2 and Rand (1967) <i>Appendix: <a href="#">“Man’s Rights”</a> and <a href="#">“The Nature of Government”</a></i>
Due Wednesday, Sept. 18 <b>Summary 4</b>	Entrepreneurship and Capitalism	<b>Summary 4:</b> Baumol (2007) Chapter 1  (find chapter on eCampus)
Due Wednesday, Sept. 25 <b>Summary 5</b>	Entrepreneurship and Capitalism	<b>Summary 5:</b> Baumol (2007) Chapter 4
Due Wednesday, Oct. 2 <b>Summary 6</b>	Power, Property, and Planning	<b>Summary 6:</b> Kornai (1992) Chapters 3 and 5
Due Wednesday, Oct. 23 <b>Summary 7</b>	Power, Property, and Planning	<b>Summary 7:</b> Kornai (1992) Chapters 6 and 7
Due Wednesday, Oct. 30 <b>Summary 8</b>	Investment, Growth, Employment, and Wages	<b>Summary 8:</b> Kornai (1992) Chapter 9
Due Wednesday, Nov. 6 <b>Summary 9</b>	Investment, Growth, Employment, and Wages	<b>Summary 9:</b> Kornai (1992) Chapter 10
Due Wednesday, Nov. 13 <b>Summary 10</b>	Shortage and Inflation	<b>Summary 10:</b> Kornai (1992) Chapter 11
Due Wednesday, Nov. 19 <b>Summary 11</b>	Shortage and Inflation	<b>Summary 11:</b> Kornai (1992) Chapter 12