

ECON 380-001
Spring 2016
Robinson Hall B222
MWF 12:30-1:20

INSTRUCTOR: Rosolino A. Candela
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OFFICE HOURS: Tuesdays, 10 A.M. – 2 P.M. or by appointment

Economies in Transition

Political economists stress the technical economic principles that one must understand in order to assess alternative arrangements for promoting peaceful cooperation and productive specialization among free men. Yet political economists go further and frankly try to bring out into the open the philosophical issues that necessarily underlie all discussions of the appropriate functions of government and all proposed economic policy measures.

-- James M. Buchanan

Course Description

Throughout the 20th century the “Big” political and economic debate was between capitalism and socialism. The intellectual challenge to capitalism dates much further back in time, and the specific socialist challenge to the capitalist system dates to the 19th century and was most developed in the works of Karl Marx. But in the 20th century, those ideas were translated into public policy in one form or another – from the Fabians in the UK and the Progressives in the US to the Bolsheviks in Russia and the Maoists in China. At one point $\frac{3}{4}$ of the world population existed under communist and socialist rule. But these socialist political and economic systems began to fall apart in the 1970s-1980s and most collapsed in the late 1980s, and early 1990s.

Since that time, comparative analysis of political-economic systems has moved from the debate between socialism and capitalism to an examination of the political economy of transitioning societies from forms of socialism to new forms of capitalism. Along the way, the transitions have had many ups and downs. We now are focused on studying not only the former socialist economies, but the failed and weak states of Africa, Middle East, and Latin America, as well as the newly emerging economies of East Asia, and the newly opened economies of India and China.

Since 2008, we must now also deal with the causes and consequences of the global financial crisis. The current generation of economic commentators is now also addressing the political, economic and social consequences of inequality.

During the course of this class, it my hope to give you an analytical framework for assessing economic systems and these pressing issues of public policy, as well as provide some historical context to the debates, and some basic empirical results that cannot be ignored if progress is going to made our understanding of the political and economic reality of our time.

Economics as a scientific discipline strives to provide objective knowledge about human decision making and the organization of human activities. Based on the core teachings of economics we will branch out to more nuanced discussions of alternative institutional arrangements, and eventually to the underlying philosophical positions in discussing peaceful cooperation and productive specialization among free individuals. It is my goal as a teacher during this condensed class to limit the material to the essentials and to demonstrate to you not only the vital importance of the material but the sheer pleasure involved in ‘finding things out’.

Readings for the Class

Kasper, W., Streit, M., and Boettke, P. 2013. *Institutional Economics: Property, Competition, Policies*. Edward Elgar. Available in eBook form. [referred to as IE]

Boettke, P. 2001. *Calculation and Coordination: Essays in Transitional Political Economy*. Routledge. Available in eBook form for both renting and ordering. [referred to as C&C]

CLASS SCHEDULE OF ASSIGNMENTS, EXAMS, AND OTHER IMPORTANT DATES:

Date	Topic	Readings
1/20	Introduction	
1/22-1/25	University Closed due to Blizzard	
1/27	Invisible Hand Theorizing	IE, chapters 1-2, and “I, Pencil”
1/29-2/1	The Entrepreneurial Market Process	IE, chapter 8
2/3-2/5	Why Are Some Nations Rich and Others Poor?	IE, chapter 14 C&C, chapter 14
2/8-2/17 FIRST QUIZ: WED, 2/10	The Problem of Economic Calculation; The Soviet Experience	IE, chapters 6-7 C&C, chapters 2-4 C&C, chapter 5-7
2/19-2/26	Why Did Communism Collapse?	C&C, chapters 8, 10, 14

2/29 -3/2	Institutional Problems Demand Institutional Solutions; Review for Midterm Exam	IE, chapter 12; epilogue
3/4	Mid-Term Exam	
3/7-3/11	NO CLASS, Spring Break	
3/16	Mid-Term Overview: Q&A	
3/18-3/25	The Political Economy of Transition	IE, chapter 13 C&C, chapter 13
3/28-4/1	Credibility and Commitment in the Politics of Economic Reform	C&C, chapters 9, 11-12
4/4	NO CLASS	
4/6-4/8 SECOND QUIZ: WED, 4/6	Is Globalization Good for the Poor?	IE, chapter 11
4/11-4/15	The How and Why of the Global Financial Crisis of 2008?	
4/18-4/20	Institutions Matter (one more time with feeling)	IE, chapters 1-2, 6-7 epilogue
4/22-4/25	Is There Hope for a Better Future?	C&C, chapters 15-16
4/29 – 5/2 THIRD QUIZ: MON, 4/29	SPECIAL TOPICS IN TRANSITIONAL ECONOMICS	TBD
5/4	Review for Final Exam	
Fri, 5/6	FINAL EXAM 12:00 pm – 2:00 pm http://registrar.gmu.edu/calendars/spring-2016/final-exams/	

This is a tentative schedule. If it proves too ambitious, I will try to simply say less about each topic rather than cut the topics for the final weeks.

COURSE REQUIREMENTS, EVALUATION, AND GRADING

Course Specific Grading: Final grades will be based on one (1) midterm exam during the semester, three (3) quizzes, and one (1) comprehensive final exam. Specific requirements for these assignments will be discussed in class. Exams will cover material presented in lecture as well as material in the textbook. Exams will consist of a combination of multiple choice and/or essay questions.

There is no formal grade for participation, but if you are one of the students who (in my judgment) contributes most to the quality of class discussion you will be "bumped up" a fraction grade (e.g. B- to B)

The final grade is calculated as followed:

(1) Midterm exam (30%)	30%
(3) Quizzes (10% each)	30%
(1) Comprehensive Final Exam	40%
	100%

Grading Scale:

A: 93-100	A-: 90-92	B+:85-89	B: 80-84	B-:75-79	C+:70-74
C: 67-69	C-: 64-66	D: 60-63	F: <60		

There will be no make-up exams or make-up quizzes. If a student must miss an exam, this should be discussed with me prior to the exam or quiz. In the event of an emergency, students should email me immediately. Please note that if a student misses an exam and I have not accepted a student's excuse, a grade of "0" will be given. If the absence is excused, one may replace the exam grade or quiz grade of zero with the grade received on the final—for example, if you miss a quiz, then your final exam grade will be weighted as 50%, or if you miss the midterm, then your final exam grade will be weighted as 70%.

ADDITIONAL INFORMATION

Honor Code: Students must adhere to the honor code of George Mason University. Cheating will not be tolerated in this class. George Mason University has an Honor Code, which requires all members of this community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited. All violations of the Honor Code will be reported to the Honor Committee.

Email: I plan on using blackboard, but information will also be sent out via emails. Students are expected to regularly check their GMU emails.

Disability Resource Center: If you are a student with a disability and you need academic accommodations, please see me and contact the Disability Resource Center (DRC) at 703-993-2474. All academic accommodations must be arranged through that office.