

Economics 536, Line #16384  
 Department of Economics  
 ♦ Comparative Economics  
 Fall 2008  
 8:30-9:20 MWF  
 E. W. Nafziger ([nafwayne@ksu.edu](mailto:nafwayne@ksu.edu))  
 Leasure 013

Homepage: <http://www.ksu.edu/economics/nafwayne/>

Office hours (in Waters 312): 11:30-12:45 MWF, except 12:30-1:20 Aug. 25 & Oct. 20-27. No office hours Friday, Sept. 12; Friday, Oct. 3; & Fri., Nov. 14. Also office hours by appointment. I will notify you in advance about any changes.

Econ 536. Comparative Economics. (3) II. Analyzes capitalism in the United States, Japan, France, Germany, Sweden, the European Union; transition by Russia, Poland, Hungary, Slovenia, and the rest of the former Yugoslavia to market economies; economic reform in China, India, and Mexico; the Islamic economy of Iran; the contrasting economies of North and South Korea; and the Marxian critique of capitalism. Pr.: Econ 110 or 120. The course is a university general education course and counts for the international studies secondary major and Arts and Sciences' international overlay.

**Objectives:** The major objectives of the course are for students to be able to: (1) analyze and compare the United States's, Japan's, France's and Germany's capitalist economic developments and compare them to other capitalist economies; (2) analyze the reasons for the collapse of state socialism and the problems of the transitions of socialist to market economies; (3) discuss and analyze the transitions to the market in Russia, the former Soviet Union, and case studies in Eastern and Central Europe; (4) discuss and analyze the problems of economic reform and liberalization in developing countries such as China, India, and Mexico; (5) analyze Iran as a case of an Islamic economy; (6) understand the basics of Marxian economics, how Marxist economists analyze the political economy, and the contrasts between the approaches of Marxism and Western standard economics, and (7) generally compare economic systems and ideas.

To attain the background essential to meet these objectives, you need to read the readings and attend lectures and class discussions.

**Required text:** J. Barkley Rosser, Jr. and Marina V. Rosser, Comparative Economics in a Transforming World Economy, 2<sup>nd</sup> ed. (Cambridge, MA: MIT Press, 2004), ISBN 0-262-18234-3. The Rossers' text is required and its reading is assumed in examination questions, but the lecture-discussion outline will not always parallel the reading. If any changes or deletions are made in readings during the course of the semester, they will be announced in class.

**Internet Resources on Comparative Economics:** Country information and country background notes are at <http://www.ksu.edu/economics/nafwayne/>. The European Banks for Reconstruction and Development (EBRD), at [www.ebrd.com/](http://www.ebrd.com/) provides a menu of EBRD activities for Eastern Europe and the former Soviet Union, by country. Selecting Russia, for example, gives you the EBRD's activities on Russia. Other menu options are Poland, the Czech Republic, Hungary, and other countries from Eastern Europe or the former Soviet Union. The Central Bank of Russia's statistics are at <http://www.cbr.ru/eng/>. The Stockholm School of Economics' page on transitional economies is at <http://www.hhs.se/site/2ndpage.htm>. For Soviet economic history and related links, <http://lcweb2.loc.gov/frd/cs/sutoc.html>. Links to 25 international agencies, including organizations, commissions, and development banks for most regions of the world, are at <http://altaplana.com/Gate.international.html>.

<http://newton.uor.edu/Departments&Programs/AsianStudiesDept/> includes general information, government institutions, directories, search engines, travel information, East Asian libraries, etc. for East and Southeast Asia (click Japan for that country); add the suffix [japan-pol.html#econ](#) for a wealth of current materials on the economy. Links to Japan are also at [www.ksu.edu/economics/nafwayne/japan.htm](http://www.ksu.edu/economics/nafwayne/japan.htm). The Organization for Economic Cooperation and Development (OECD) is at <http://www.oecd.org/>, with national-income statistics of OECD members, United States, Japan, Germany, France, Italy, the Euro zone, the EU, Britain, Sweden, Poland, Czech Republic, Hungary, South Korea, Mexico, at <http://www.oecd.org/std/nahome.htm>. Other information includes the European Union <http://www.europa.eu.int/>; the European Central Bank <http://www.ecb.int/>; and Germany <http://www.germany-info.org/relaunch/index.html>, <http://smith.diw.de/english/index.html>, and (statistics) [http://www.destatis.de/e\\_home.htm](http://www.destatis.de/e_home.htm).

Lexis-Nexis, on the KSU system, enables you to get information on a country by topic, at <http://web.lexis-nexis.com/universe>. News stories are archived for more than 20 years. EconLit, [www.econlit.org/](http://www.econlit.org/), is a database with a comprehensive indexed bibliography with abstracts of the world's economic literature, 1969 to the present, with over 300 major economic journals and collected volumes, compiled from the American Economic Association's *Journal of Economic Literature* and the *Index of Economic Articles*. For other search engines, similar to Lexis-Nexis and EconLit, you can fine-tune your search by specifying more than one keyword, or combining a keyword with additional term(s). Search engines, such as Google, at [www.google.com/](http://www.google.com/), facilitate finding sources and data on the web efficiently. For other comparative and international economic sites, see <http://www.ksu.edu/economics/nafwayne/edc.htm>.

<http://www.onlinenewspapers.com/> is for recent news from a country's newspapers. Click the country you are interested in on the world map, and you will receive a menu of newspaper options. [www.state.gov/www/background\\_notes/](http://www.state.gov/www/background_notes/) is for background notes on countries. At [www.odci.gov/](http://www.odci.gov/), under "Library and Reference, click the World Factbook and "Country Listing," for the economy, government, and maps on countries. Recent news on countries may be available in the *Wall Street Journal*, and at BBC [www.bbc.co.uk/home/today/](http://www.bbc.co.uk/home/today/); CNN [www.cnn.com/](http://www.cnn.com/); the Economist [www.economist.com/](http://www.economist.com/); (and if you have a fixed terminal) New York Times [www.nytimes.com/](http://www.nytimes.com/) and perhaps Financial Times [www.ft.com/](http://www.ft.com/); and the International Herald Tribune [www.iht.com/](http://www.iht.com/), based on the Times and the Post, with headline stories.

The selected and collected works of Karl Marx are at <http://csf.colorado.edu/mirrors/marxists.org/archive/marx/works/>. Adam Smith's *Wealth of Nations* is at [www.duke.edu/~atm2/SMITH/](http://www.duke.edu/~atm2/SMITH/).

**Grades:** I plan four one-hour examinations, each worth 100 points (total 400 points); occasional quizzes (announced in advance); an occasional internet exercise; in-class team exercises; and some internet assignments. Sometimes I may ask students to respond in 3-5 minutes to questions such as "What was the most important thing you learned during this class? And "What important question remains unanswered for you?"

I have indicated tentatively the coverage of each one-hour examination (the readings and corresponding lectures just before the listing of the examinations. Each one-hour exam is roughly half multiple choice and half essay/problem, with an occasional short identification or explanation question. Exams and quizzes encompass readings, lecture/discussion, powerpoints, talks, videos, and e-mails. To find out the type of exams, peruse previous comparative economics exams in MS Word or PDF format at <https://www.ksu.edu/economics/nafwayne/exams/index.htm> (KSU computing ID and password required). Keep in mind that I used a different textbook with different coverage the last time I taught the course in 2007.

Students who make an excellent contribution to class can raise their semester numerical grade.

Students should feel free to volunteer discussion of news items or other items of interest that have implications for the topic at hand.

Graduate students are required to write a paper or to present a twenty-minute talk to the class. This paper or talk is worth 150 points for graduate students.

**Alternative to the Second or Third One-hour Exam:** For the second or third exam, the student may write a paper or give a talk instead of taking the exam. The paper or talk must be on a topic pertaining to a country discussed since the previous one-hour exam and before the next one-hour exam. The student must notify the instructor in writing or by e-mail what topic s/he is presenting by the second class after the previous exam; notify the instructor in writing of any change in the topic; and *attend class regularly*. If the student gives a talk (prepare for an average length of about 20 minutes), s/he must arrange with the instructor for the presentation to be near the time when the subject is discussed in class. For a class presentation, you must indicate bibliographical sources. (see below). (In the past, one student both took the exam and gave the talk, enabling that student to get the better of the two grades!). The average length of the paper is about 7-12 pages. You are expected to use standard bibliographical and citation procedures (if in doubt, use the procedures of a recent *American Economic Review*). For material on the web, the bibliographical citation must be complete, for example, Stanley Fischer, "The Asian Crisis: the Return of Growth," International Monetary Fund, Washington, D.C., paper presented to the Asia Society, Hong Kong, June 17, 1999. <http://www.imf.org/external/np/speeches/1999/061799.HTM>. Feel free to hand in an earlier draft so that I can give you comments that will allow you to improve your paper (but give me a few days to respond), or ask questions about your progress at earlier stages of work on your paper. Students giving a talk should be prepared to discuss sources used.

No alternative is possible for the first or final exams or for the quizzes. All students are required to take these.

Plagiarism: University policy is: "Plagiarism and cheating are serious offenses and may be punished by failure on the exam, paper, or project; failure in the course; and/or expulsion from the university." For more information refer to "Academic Dishonesty," <http://www.ksu.edu/uau/fhbook/fhxf.html>.

Honor system: The university has an honor system based on personal integrity, which is presumed to be sufficient assurance that in academic matters one's work is performed honestly and without unauthorized assistance. Undergraduate students, by registration, acknowledge the jurisdiction of the Undergraduate Honor System. The policies and procedures of the Undergraduate Honor System apply to all full and part-time students enrolled in undergraduate courses on-campus, off-campus, and via distance learning. A prominent part of the Honor System is the inclusion of the Honor Pledge, which applies to all assignments, examinations, or other course work undertaken by undergraduate students. The Honor Pledge is implied, whether or not it is stated: "On my honor, as a student, I have neither given nor received unauthorized aid on this academic work." This statement means that the student understands and has complied with the requirements of the assignment as set forth by the instructor. A grade of XF can result from a breach of academic honesty. An XF would be failure of the course with the X on the transcript indicating failure as a result of a breach of academic honesty. For more information, refer to <http://www.ksu.edu/honor>.

Academic Accommodations for Students with Disabilities: If you have any condition, such as a physical or learning disability, which will make it difficult for you to carry out the work as I have outlined it or which will require academic accommodations, please notify me in the first two weeks of the course.

Tentative Outline of the Course (numbers correspond to Rossers' chapters):

Introduction to the Course (Mon. Aug. 25)

Preface, I. Overview of Comparative Economics, & 1. How do we Compare Economies (Wed., Aug. 27)

2. The Theory and Practice of Market Capitalism? (Wed., Aug. 27)

3. The Theory and History of Marxism and Socialism

4. Islamic Economics and the Economics of Other Religions

100-POINT ONE-HOUR EXAMINATION (Friday, Sept. 12)

II. Varieties of Advanced Market Capitalism

5. The United States of America: The Market Capitalist Leader

6. Japan: A Planned Market Economy with Traditional Elements

7. Whither Indicative Planning? The Case of France

8. Sweden: Crisis and Reform of the Social Market Welfare State

100-POINT ONE-HOUR EXAMINATION (Friday, Oct. 3)

9. The Unification of Germany and the Unification of Europe

10. The Former Soviet Union: The Myth and Reality of the Command Economy and Russia's Economic Transition

11. Alternative Paths of Transition in the Former Soviet Union

[quiz sometime mid- to late October]

12. Poland: The Peril and Promise of Shock Therapy

13. Hungary: Gradualism and the First Successful Completed Transition?

14. Worker-Managed Market Socialism: The Collapse of Yugoslavia and the Success of Slovenia

15. China's Socialist Market Economy: The Sleeping Giant Wakes

IV. ALTERNATIVE PATHS AMONG DEVELOPING ECONOMIES

16 India: The Elephant Walks

100-POINT ONE-HOUR EXAMINATION (Friday, Nov. 14)

17. Iran: The Struggle for a New Traditional Islamic Economy

18. Revolution and Reform in the Mexican Economy

19. North and South Korea: The Lingering Shadow of the Cold War

20. Evolving Trends of the Transforming World Economy

FINAL EXAMINATION, FRIDAY, DECEMBER 19, 11:50-1:40 IN LEASURE 013 (COUNTS SAME AS A ONE-HOUR EXAMINATION)