

# **Economies in Transition - Econ 380**

Spring 2011

Monday 4:30 p.m. – 07:10 p.m.

Location: ENGR 1101

## **Instructor: Marta Podemska Mikluch**

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Office Hours: by appointment at Enterprise Hall 338

## **Course objectives:**

The course examines the problems and achievements of formerly communist and socialist countries as they transition to more market-oriented economies. Since economics is first and foremost a way of thinking, the major course objective is for students to have the ability to critically analyze complex social problems. Throughout the course students will be encouraged to develop and learn to apply analytical skills. Moreover, at the end of the semester students should be able to demonstrate a strong understanding of problems faced by societies undergoing economic transition. They should be familiar with the forefronts of transition literature and with public policy approaches to transition problems. We will analyze the transition in countries of Eastern Europe, Soviet Union, and in China.

## **Prerequisites:**

Principles of Microeconomics (Econ 103)

Principles of Macroeconomics (Econ 104)

**Required Readings:**

1. *The Chinese Economy: Transitions and Growth* by Barry Naughton
2. *How Capitalism Was Built: The Transformation of Central and Eastern Europe, Russia, and Central Asia* by Anders Aslund
3. *Collapse of an Empire: Lessons for Modern Russia* by Yegor Gaidar  
Available at: <http://magik.gmu.edu/cgi-bin/Pwebrecon.cgi?BBID=1991291>
4. *Why Perestroika Failed: The Politics and Economics of Socialist* by Peter Boettke  
Available at: <http://econfaculty.gmu.edu/pboettke/pubs/whyperestroika.html>
5. Selection of papers - provided to students via blackboard.

**Grading Policy:**

To be successful in this class you need to read the assigned material, analyze it, and actively participate in the discussions. I will offer you multiple opportunities to demonstrate your learning potential. As such, your final grade will consist of:

1. Participation in class and on-line discussions – 10%
2. Homework (weekly quizzes) - 30%
3. Group project – 15 %
4. Midterm Exam – 15 %
5. Final Exam – 30 %

Grading Scale:

A+	96+	B+	87-89	C+	77-79	D+	67-69	F	<60
A	94-95	B	84-86	C	74-76	D	64-67		
A-	90-93	B-	80-83	C-	70-73	D-	60-63		

**Disability statement**

If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Resources at 703-993-2474. All academic accommodations must be arranged through that office.

**Honor Code Statement**

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. See [honorcode.gmu.edu](http://honorcode.gmu.edu) for more detailed information.

**Enrollment statement**

Students are responsible for verifying their enrollment in this class.

Schedule adjustments should be made by the deadlines published in the Schedule of Classes. (Deadlines each semester are published in the Schedule of Classes available from the Registrar's Website: <http://registrar.gmu.edu/>.)

1. Last day to drop with no tuition penalty - Tuesday February 8th
2. Last day to add classes - Tuesday February 8th
3. Last day to drop with a 33% tuition penalty - Tuesday February 15th
4. Last day to drop with a 67% tuition penalty - Friday February 25th
5. Last day to drop - Friday February 25th

After the last day to drop a class, withdrawing from this class requires the approval of the dean and is only allowed for nonacademic reasons.

Undergraduate students may choose to exercise a selective withdrawal. See the Schedule of Classes for selective withdrawal procedures.

Date	Topics and Deadlines	Assigned Readings
Week 1 1/24/2011	Introduction to Economies in Transition Ten Key Elements of Economics	
Week 2 1/31/2011	A World Transformed Communism and its Demise Shock Therapy versus Gradualism <b>Quiz 1</b>	Hayek 1945 Aslund: intro, ch.1 and 2
Week 3 2/7/2011	Output: Slump and Recovery Liberalization From Hyperinflation to Financial Stability <b>Quiz 2</b>	Aslund: ch. 3, 4, and 5
Week 4 2/14/2011	Privatization: The Establishment of Private Property Rights An Inefficient Social System <b>Quiz 3 and Group Project Topics</b>	Aslund: ch. 6 and 7
Week 5 2/21/2011	Democracy versus Authoritarianism From Crime Toward Law <b>Quiz 4</b>	Aslund: ch. 8 and 9
Week 6 2/28/2011	The Role of Oligarchs The Impact of the Outside World <b>Quiz 5 and Group Paper Proposals</b>	Aslund: ch: 10, 11, and conclusions
Week 7 3/7/2011	<b>Midterm Exam</b>	
Week 8 3/14/2011	<b>Spring Break</b>	

<b>Date</b>	<b>Topics and Deadlines</b>	<b>Assigned Readings</b>
Week 9 3/21/2011	Collapse of an Empire <b>Quiz 6</b>	Gaidar: ch. 4, 5, 6, 7, and 8
Week 10 3/28/2011	Why Perestroika Failed <b>Quiz 7</b>	Boettke: all chapters
Week 11 4/4/2011	The Socialist Era in China Market Transition in China <b>Quiz 8</b>	Naughton: ch. 3 and 4
Week 12 4/11/2011	Movie Night <b>Group Papers are Due</b>	
Week 13 4/18/2011	China and the World Economy Quiz 9	Naughton: ch. 16 and 17
Week 14 4/25/2011	Group Presentations and Discussions	
Week 15 5/2/2011	Group Presentations and Discussions	
Week 16 5/9/2011	Reading Day	
Week 17 5/16/2011	<b>Final Exam</b>	