Economics is the social science that studies the allocation of scarce resources to satisfy unlimited wants. This involves analyzing the production, distribution, trade and consumption of goods and services. The mechanism a society uses to make decisions about the production, distribution, trade and consumption of goods and services is known as the economic system. Just like individuals approach the same problem in their own unique way, different countries deal with the allocation of scarce resources differently. This course is therefore a comparative political economy analysis of how different societies decide what to produce, how to produce, and for whom to produce. During the semester, we will examine the major economic systems of the world, in both theory and practice. The approach will focus on encouraging a general theoretical understanding of how economic systems work, of how the major economies of the world have performed historically, and how economic theory interacts with government policy, history, and culture to explain economic performance. We will also extensively use case studies to examine the diversities within capitalism and socialism, and analyze the complexities of economic transition from central planning to a market economy.

At the end of the semester, you should have acquired an understanding of:

1. the fundamental theories of market and planned economies;
2. the role of institutions and their impact on economic performance and growth;
3. different types of economic systems around the world.

Expect a significant amount of reading and writing for this course.
Textbook

There is no formal textbook for the course, but you are expected to read assigned material before class.

Grading

Your course grade will be determined by your performance on homework (15%), book discussion (10%), a planner’s headache problem (5%), class blog (10%), two midterm exams (15%) each, and a cumulative final exam (25%). The remaining 5% of your grade will come from your active participation in class discussions.

Exams

The first midterm is tentatively scheduled for Wednesday, February 13th and the second midterm is tentatively scheduled for Monday, March 25th. The final exam will be held on Monday, May 6th at 1:30 PM. All re-grading requests must be handed in no later than one week after the exam is returned to you.

Homework

Each week you will be assigned a set of homework questions. They will primarily deal with the material covered during the previous week, however, sometimes you will be asked to read an article that we have not covered during the lecture. Homework assignments will be due Wednesdays at the beginning of class.

Not all homework questions will be graded, but I will choose two or three questions in each homework assignment and grade it.

The lowest homework set will not be counted towards your grade. Therefore, no late homework will be accepted. If you are late with a homework, it will be counted as the lowest score and will not be counted towards your final grade.

The Planner’s Headache Problem

This analytical problem will be passed out and discussed in class. In this assignment you should find a valid solution to the problem and write a short essay (2 to 3 pages) on the essential message of the exercise and how you found your solution.
Book Discussion

The class will choose a book to read and then we will have a book discussion sometime toward the end of the semester.

Course Blog

A blog for this class has been set up at http://owue370.blogspot.com/. Blogging is an interactive process between writers and readers where readers may not agree with the opinions you express, and are free to tell you so. This includes me, although I attempt to stick to assertions, facts, and conclusions that are within the mainstream of economics. Please try not to be offended at any blog comments I may make, but please do inform me if I do offend you.

A post is a new contribution on a topic of your choice. All posts must include at least one hyperlink to material from outside the class blog, and they must be related to what we study during the course of the semester. A comment is a new contribution to a pre-existing post intended to extend or clarify the discussion. You may also ask questions requiring clarification or explanation from me or the student who wrote the original post. Posts must be factual at their core. You may support those with what you learn in class about economics, or with opinions about economic issues. Comments need not include new facts. They must have some foundation in economics. They should not be purely opinion. I want to see discussion and debate, not contradiction.

You will receive credit for posts and comments. A full score is worth 70 points. For the purpose of blogging, the course is divided into seven two-week sections. Within each of the sections, you will receive credit for one post only and it will be worth 6 points. Your first two comments within each section are worth 2 points each and each additional comment receives 1 point. The maximum number of points you can earn in each section is 15. From those amounts I may subtract points for errors of fact, spelling, grammar, or style. Comments on your own posts will not be awarded credit, unless they are replies to earlier comments.

Completion of a blog post or comment will be evaluated by the time stamp attached to the e-mail notification I receive from Blogger noting your post or comment. I will count all posts and comments that arrive with a time stamp before 8:00 AM on Mondays when the new section begins. Later posts or comments will count fully, but for the following period.

To ensure that posts are spread throughout each two week period and are not bundled together on Sundays before date dates, you have an additional constraint. The maximum points you can receive in any day (24 hours period) is eight.

The implications of this system are that: 1) the minimum amount of work to get 70 points is to do one post and two comments in each of the seven sections, 2) to get the minimum amount of points, you have to contribute to the blog on at least two different days in each section, and 3) it is possible to earn extra credit from blogging by commenting on other students’ posts.

---

1This section is adapted from Greg Delemeester
In order to begin posting to the blog you must first complete the free registration with the Blogger. In order to do this, I will send an invitation to your OWU email address to join the blog. Once you receive the invitation via email, simply follow the instructions to create your account.

**Cell phones**

Please, don’t use a cell phone in class. Any cell phone rings will cost you $1 which will be placed in the candy fund.

**How to Read Articles**

Approach each article looking for central ideas and concepts, not details. Almost all articles are well structured with a literature review in the beginning, a general outline of the author’s argument, the analytical detail, and then a summary. Concentrate on the literature review and summary. Look for how the general ideas relate to other concepts you already know. Some of the articles may be mathematical or statistical; skip these sections.

**Academic Accommodation**

The American with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protections for persons with disabilities. Among other things, the legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have, or think you may have, a disability (e.g., mental health, attentional, learning, chronic health, sensory, or physical), please contact Disability Services in Corns 315 or call 740.368.3925 to arrange a confidential discussion regarding equitable access and reasonable accommodations. If you are registered with Disability Services and have a current letter requesting reasonable accommodations, please contact me as early in the semester as possible to discuss how the accommodations will be applied in the course. For more information, consult the Disabilities Services website, http://ldac.owu.edu/index.html.

**Course Outline**

1. Introduction to Economic Systems
2. Market Economies
3. Socialist Economies
4. Transition Economies
5. Other topics