Economics 365: Issues in Comparative Economics
Spring 2003

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Course Description:
The course will focus on the study of the growth and development experiences of a
selected group of countries. We will start with a general introduction to the issue of development and
economic growth and a brief study of the East Asian economies. The core part of course will be devoted
to the experiences of several countries from Latin America, and Central and Eastern Europe.

Approach:
We will be using economic theory to examine the experience of these countries.
My goal is to teach you to use the tools provided by the theory to analyze economic data and to interpret
particular events. A typical topic will then combine the study of the relevant economic theory with the
examination of the data.

I will use geometric analysis and elementary algebra to develop the economic
theory points. Calculus is not required but you must be willing to understand and work with arguments
based on formal economic reasoning and basic quantitative analysis. Throughout the course we will be
using microeconomic theory, international trade theory and macroeconomic theory. Understanding them
is an important prerequisite to be able to understand the material presented in the course.

Because a significant part of the readings do not develop the theory with enough
detail or assume that you have additional knowledge on the specific topic, it is important that you attend
lectures. I expect you to do a first reading of the material before class. This first reading should be a quick
run-through that should give you an idea of the main points. After the class, it will become clear what are
the points that I chose to emphasize and the aspects you should concentrate on.

Required Reading:
1- “The Puzzle of Latin American Economic Development,” by Patrice Franko, Rowman and
Littlefield Publishers, 1999. A few copies are available at the University Bookstore and
Underground Books. Three copies on reserve at College Library, some chapters will be available
in our Web Page.
2- Reading Packet 1 (RP 1) (available as Electronic Reserve at the Social Science Reference
Library, linked through our Web Page).
3- Reading Packet 2 (RP 2) (available as Electronic Reserve at the Social Science Reference
Library, linked through our Web Page).
4- Handouts distributed in class or electronically and articles available from the Web. Most of
them will be linked to our Web Page.

Grading/Important Dates/Other
1. Grading will be on the basis of three exams (none of them cumulative), and a paper on one of
the countries of Latin America, Eastern Europe or Former Soviet States. There will be a few
short homework assignments to help you practice some concepts (they will have no formal
weight in your grade).
The schedule and weights are as follows:
    23 % First Exam : Tuesday February 20.
    23 % Second Exam : Thursday April 3.
    23 % Third Exam : Thursday May 8 (last day of class).
    31 % Paper : Final version due Thursday May 1.
2. Students are responsible for announcements made in class and via E-mail.
3. As a general rule, with a class of this size, I do not give make up exams. However, if there are exceptional circumstances that make it impossible for you to take an exam at the scheduled time you should contact me before the exam.

Paper:
I would like you to write a “country report” on a country from either Latin America, Eastern Europe or Former Soviet States. I will talk in more detail in class about my expectations but the general guidelines are spelled out below. A sample of a country report will be on Reserve at the Social Science Research Library.

Important dates:
- Choice of country: Due Thursday February 13.
- Bibliography: Due Thursday March 27.
- Outline and tables or diagrams of economic indicators to be used: Due Tuesday April 22.
- Final Version: Due Thursday May 1.

1. Choice of Country:
Since there are some countries that may present specific problems with the availability of data I would like you to submit your choice to be approved.

2. Bibliography, Outline, Data Sources:
Search first widely (International Organizations, Periodicals, WWW, etc) and then narrow your focus. Make copies of the Data (Xerox Tables, etc) or download it from the specific database or web site. I will provide additional information on data sources in class. The World Development Indicators (WDI) (World Bank) will be available at the Social Sciences Micro computing Lab. We will hold sessions at the computer lab to guide you through some of the bibliographical sources and the WDI (details will be announced later).

3. Writing:
You need to describe the general characteristics of the country and the main social indicators (income distribution, literacy, average years of schooling, some poverty index, etc.). Next you need to analyze the evolution of the basic economic indicators over time (ideally data going back 20/30 years) and the economic conditions over the last 2/4 years. Basic indicators are GNP, GNP per capita, GNP growth, inflation, government deficit, some foreign trade indicator, real wage (if available). You then may choose to address some issue of particular importance for the specific country. You must provide citations for material that is not your own and full references for all your sources.

Length: About 6-9 written pages (at 12 pt. font) plus the relevant tables (average 10-12 tables). This of course will vary according to the availability of data.

E-mail and WEB Page
The class will be put on an electronic mailing list. This allows distribution of announcements and class related information to everyone. Please activate your account and check your E-mail regularly (this is mandatory).

Course Outline and Reading Guide
RP1 stands for Reading Packet 1, item number follows.
RP2 stands for Reading Packet 2.
Items from WWW have their addresses.

I. Introduction and Strategies for Economic Development. (January 21)

II. **Economic Growth** (January 23, 28, 30, February 4, 6).


III. **East Asia** (February 6, 11, 13, 18, *Midterm 1: Thursday February 20*).


“Measuring Income Inequality,” from “Miscellaneous technical Notes”, (RP1, 10).


**Latin America.**

IV. **Overview and Historical Legacies** (February 25, 27).

Franko: Chapters 1 and 2.


V. **Import Substitution** (March 4, 6).

Franko: Chapter 3.

“Miscellaneous Notes on Trade Theory”, “The International Flows of Capital and Goods” and “Savings and Investment in an Open Economy,” from “Miscellaneous Technical Notes,” (RP1, 10).


VI. **Debt, Inflation and Stabilization** (March 11, 13, 25).

Franko: Chapters 4 and 5.


“Sources of Inflation”, and “How Important Has Seigniorage Been?,” from “Miscellaneous Technical Notes,” (RP1, 10).

VII. **Opening, Reform, Crisis** (March 27, April 1, 8, 10, 15, *Midterm 2: Thursday April 3*).

Franko: Chapters 7, 8 and 9.


Selected pages from *Growth, Employment and Equity: The Impact of Reforms in Latin America and the Caribbean*, by Barbara Stallings and Wilson Peres, ECLAC (UN), Brookings Institution Press, 2000,
VIII. Poverty and Inequality (April 17, 22)

Franko: Chapter 11.

Eastern Europe and Former Soviet States.

IX. Economic Growth in Selected Countries (April 22, 24, 29).


X. Transition, Reform and Outcomes: Former Soviet Union, Poland, Hungary and Czech Republic (April 29, May 1, 6, Midterm 3: Thursday May 8).


GRIEVANCE PROCEDURE

The Department of Economics has developed a grievance procedure through which you may register comments or complaints about a course, an instructor, or a teaching assistant. The Department continues to provide a course evaluation each semester in every class. If you wish to make anonymous complaints to an instructor or teaching assistant, the appropriate vehicle is the course evaluation. If you have a disagreement with an instructor or a teaching assistant, we strongly encourage you to try to resolve the dispute with him or her directly. The grievance procedure is designed for situations where neither of these channels is appropriate. If you wish to file a grievance, you should go to room 7238 Social Science and request a Course Comment Sheet. When completing the comment sheet, you will need to provide a detailed statement that describes what aspects of the course you find unsatisfactory. You will need to sign the sheet and provide your student identification number, your address, and a phone where you can be reached. The Department plans to investigate comments fully and will respond in writing to complaints. Your name, address, phone number, and student ID number will not be revealed to the instructor or teaching assistant involved and will be treated as confidential. The Department needs this information, because it may become necessary for a commenting student to have a meeting with the department chair or a nominee to gather additional information. A name and address are necessary for providing a written response.