

ECON 360-103: ECONOMICS OF DEVELOPING AREAS

Fall 2020

Instructor: Henry Thompson	Time: M,W 3:00-4:15pm
Email: hthomps@gmu.edu	Place: Robinson Hall B111.

Office Hours: By appointment. Please email me and we can set up a time to meet (likely via Zoom or Collaborate Ultra). Tutoring hours are available as well.

Required Texts:

- David D. Friedman (DF), *Legal Systems Very Different From Ours*, 2019.
 - While I recommend that you purchase the book, a late draft of the book is available free online [here](#).

Recommended Sources:

- Armen Alchian and William R. Allen (AA), *Universal Economics*, 2018. ([Link](#))
- University Library Catalog. ([Link](#))

Prerequisites: ECON 103 and 104

Course Description and Expectations: This class will explore a question over two hundred years old, first posed by Adam Smith in his 1776 treatise *An Inquiry into the Nature and Causes of the Wealth of Nations*: why are some nations rich while others are poor? For those countries that are poor, how can they become rich? This class focuses specifically on the role that property rights play in answering this question.

This class draws on a large number of online readings, including essays, journal articles, and book chapters. I will upload to Blackboard book chapters or papers not available via the library's website (of which there are only a few). The readings that are uploaded on Blackboard are marked with a "BB" below.

COVID-19 Protocols: As our hybrid style divides the class naturally in half (approximately two groups of 6), this creates a unique opportunity to conduct the class in a **seminar-style** format. This has a number of important implications:

1. On Mondays, students enrolled in 71843 will meet Monday in-person in Robinson Hall B111.
2. On Wednesdays, students enrolled in 84378 will meet Wednesday in-person in Robinson Hall B111.
3. This course also has an online component that substitutes for what otherwise might be additional in-person meetings. This online component consists of various recorded lectures and readings (links below), all of which are mandatory. For weeks with "Blackboard" below, recorded lectures will be uploaded to Blackboard. If there are any changes to the assigned recorded lectures, students will either be notified in class or via email.

All students taking courses with a face-to-face component are required to take Safe Return to Campus Training prior to visiting campus. Training is available in Blackboard (<https://mymason.gmu.edu>). Students are required to follow the university's public health and safety precautions and procedures outlined on the

university Safe Return to Campus webpage (www2.gmu.edu/safe-return-plan). Similarly, all students in face to face and hybrid courses must also complete the Mason COVID Health Check daily, seven days a week. The COVID Health Check system uses a color code system and students will receive either a Green, Yellow, or Red email response. Only students who receive a “green” notification are permitted to attend courses with a face-to-face component. If you suspect that you are sick or have been directed to self-isolate, please quarantine or get testing. Faculty are allowed to ask you to show them that you have received a Green email and are thereby permitted to be in class.

Activities and assignments in this course will regularly use the Blackboard learning system, available at <https://mymason.gmu.edu>. Students are required to have regular, reliable access to a computer with an updated operating system (recommended: Windows 10 or Mac OSX 10.13 or higher) and a stable broadband Internet connection (cable modem, DSL, satellite broadband, etc., with a consistent 1.5 Mbps [megabits per second] download speed or higher. You can check your speed settings using the speed test on this website.)

Activities and assignments in this course will regularly use web-conferencing software (Blackboard Collaborate / Zoom). In addition to the requirements above, students are required to have a device with a functional camera and microphone. In an emergency, students can connect through a telephone call, but video connection is the expected norm.

This course requires the use of LockDown Browser (instructions for installing are [here](#)) and a webcam for online exams. The webcam can be built into your computer (internal webcam) or can be the type of webcam that plugs in with a USB cable (external webcam). Watch this short video to get a basic understanding of LockDown Browser and the webcam feature. A [Quick Start Guide for Students](#) is also available.

Students must wear masks at all times.

Global Understanding Learning Outcomes: The goal of global understanding courses is to help students see the world from multiple perspectives, reflect upon their positions in a global society, and be prepared for future engagement as global citizens. While it may include a historical perspective, global understanding courses focus primarily on a contemporary understanding of one’s place in a global society.

Objectives:

1. Identify and articulate one’s own values and how those values influence their interactions and relationships with others, both locally and globally.
2. Demonstrate understanding of how the patterns and processes of globalization make visible the interconnections and differences among and within contemporary global societies.
3. Demonstrate the development of intercultural competencies.
4. Explore individual and collective responsibilities within a global society through analytical, practical, or creative responses to problems or issues, using resources appropriate to the field.

Tentative Course Outline:*

Week	Lesson	Readings	Other
Aug 24, 26	Introduction, Syllabus, Expectations	–Syllabus	
Aug 31, Sept 2	Economic Method and Economic Growth	– <i>University Economics</i> , Chs. 1, 2, 3 (BB) –MRU video –Besley and Ghatak: “Reforming Property Rights” –Boettke and Candela: “Development and Property Rights”	Quiz due Monday
Sept 7, 9	Review 1	–MRU: All videos in “Supply, Demand, and Equilibrium” – <i>Universal Economics</i> , Chs. 3, 4, 5, 6	No class this week: Monday (Labor Day), Class canceled Wednesday; Quiz due Monday
Sept 14, 16	Review 2	–MRU: All videos in “Price ceilings and price floors” – <i>Universal Economics</i> , Chs. 7, 8 (pp. 109-118), 9, 12	Quiz due Monday
Sept 21, 23	Review 3	–MRU: All videos in “Costs and profit maximization under competition” –MRU: All videos in “Competition and invisible hand” – <i>Universal Economics</i> , 14, 15 –Rajan: “Assume Anarchy”	Quiz due Monday
Sept 28, 30	Markets, Exchange, and Growth	–MRU: All videos in “The price system” –MRU: All videos in “Don Boudreaux on trade and prosperity” –MRU: “Big ideas of trade” –MRU: “Comparative advantage” –MRU: “Another look at comparative advantage” –Bauer: “From Subsistence to Exchange” –Hayek: “Use of Knowledge in Society” –Mises: “Economic Calculation in the Socialist Commonwealth (Chs. 1, 2, 3)”	Quiz due Monday
Oct 5, 7	Defining Property rights	–Lecture: Blackboard –Alchian: “Some Economics of Property Rights” – <i>University Economics</i> , Chs. 9, 14 (BB) –de Alessi: “The Gains from Private Property”	Quiz due Monday

Week	Lesson	Readings	Other
Oct 12, 14	84378 Presentations: Wednesday, October 14th**	Friedman: <i>Legal Systems Very Different From Ours</i>	No class Monday: Fall Break; No quiz
Oct 19, 21	The State as the Traditional Supplier of Property Rights	<ul style="list-style-type: none"> -Lecture: Blackboard -Locke: 2nd Treatise of Government, Ch. 8 -McChesney: “Government as Definer of Property Rights: Tragedy Exiting the Commons?” -Federalist No. 51 -<i>Legal Systems Very Different from Ours</i> Chs. 18 	Quiz due Monday
Oct 26, 28	Origins Beyond the State	<ul style="list-style-type: none"> -Lecture: Blackboard -Locke: 2nd Treatise of Government, Ch. 2, 5 -Demsetz: “Towards a Theory of Property Rights” -Barzel: “The Formation of Rights” -Benson: “Enforcement of Private Property Rights in Primitive Societies: Law without Government” 	Quiz due Monday
Nov 2, 4	Expanding the Scope: Other Providers of Property Rights	<ul style="list-style-type: none"> -Lecture: Blackboard -Skaperdas: “The political economy of organized crime” -Leeson: “Pirates, Prisoners, and Preliterates” -Skarbek: “Governance and Prison Gangs” -Leeson: “Efficient anarchy” 	Quiz due Monday
Nov 9, 11	Shifting Gears: Property Rights under Communism	<ul style="list-style-type: none"> -Lecture: Blackboard -Pejovich: <i>The Government Bureau</i> (BB) -Winiecki: “Why Economic Reforms Fail in the Soviet System” -Anderson and Boettke: “Perestroika and public choice” -Anderson and Boettke: “Soviet venality” -Hillman and Schnytzer: “Illegal economic activities and purges in a Soviet-type economy” 	Quiz due Monday

Week	Lesson	Readings	Other
Nov 16, 18	Property Rights and Innovation	–Lecture: Blackboard –MRU –Suchman: “Invention and Ritual” –Cheung: “Property Rights in Trade Secrets” –Friedman: “Standards As Intellectual Property: An Economic Approach”	Quiz due Monday
Nov 23, 25	71843 Presentations: Monday, November 23**	Friedman: <i>Legal Systems Very Different From Ours</i>	Class Canceled Wednesday: Thanksgiving Break; No quiz
Nov 30, Dec 2	Exporting Property Rights	–Lecture: Blackboard –Boettke et. al.: “Institutional Stickiness and the New Development Economics” –MRU –Williamson: “The Two Sides of de Soto” –Pejovich: “Understanding the Transaction Costs of Transition” –Leeson and Harris: “Wealth-destroying private property rights”	Quiz due Monday; both Monday and Wednesday meetings will meet online via Zoom
Dec 7, 9	FINALS		No meetings

*I reserve the right to change this schedule as the semester progresses.

**More on this project in class.

Grading Policy: The final grade consists of overall participation (30%), discussion leadership (15%), weekly quizzes (20%), Friedman presentation (15%), final exam (20%). Rough grading rubrics for each are on Blackboard.

- **Class Participation (30%)**

- Students who miss class also miss the opportunity to earn participation credit.
- As this is a seminar style class, participation is **extremely** important.
- Students are permitted **two** absences.
- On days where students are not required to attend, attendance and participation is still strongly encouraged!

- **Discussion Leader (15%)**

- Each meeting will have one new discussion leader who must come to class with a prepared list of topics or questions they want to cover inspired by that week’s readings.
- On Mondays, a student from 71843 will lead the discussion, while on Wednesday meetings a student from 84378 will lead the discussion.

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- Students must be discussion leaders at least once during the semester. The first discussion leadership is worth 15% of your final grade.
 - As there are more meetings than there are students in each section (8 total opportunities to lead discussions), students may volunteer to lead additional meetings as extra credit opportunities: for additional discussion over and above the first (of a sufficient quality), I will drop your next lowest quiz grade
 - Discussion leaders do not start until September 28th.
 - Discussion leaders must hand in the list of questions/topics to me at the end of class

- **Quizzes (20%)**

- There will be one Blackboard quiz per week due **every Monday at 3:00pm**.
- The quiz will be made available the previous Wednesday, giving students four full days (Thursday, Friday, Saturday, Sunday) to take the quiz.
- The quizzes are designed to make sure that students have done the readings **before** classes meet each week.
- There will be **three** questions per quiz, all short answer questions that should not take more than **three** sentences to answer. Two questions will draw from that week's readings while one question will draw from the videos assigned for that week.
- *Ceteris paribus*, I will drop the **two** lowest quiz grades.
- There is no quiz for the first week.
- Quizzes are closed book and there are **no makeups, no exceptions**.
- Quizzes can be discussed Monday in class. Answers will be uploaded to Blackboard.

- **Friedman Presentation (15%)**

- Each student must give one 5-8 minute presentation on a chapter from David D. Friedman's book *Legal Systems Very Different From Our Own*
- Important questions that should be considered during the presentation include: What is the system of rules and property rights assignments that particular place and period? What does the legal system do well relative to others? What does it not do well relative to others? Why might be the logic behind a particularly puzzling property right delineation (rule).
- Students should be prepared to field questions on their chapter of choice
- You may work together on this assignment
- There are no makeups. No exceptions.
- Chapters 6, 9, 17, 18, 19, 20, 21 are not available for presentations
- Further details will be discussed in class

- **Final Exam (20%)**

- The exam will be closed book and use Lockdown browser.

Grading Scale: A+: 100-98 A: 97-93. A-: 92-90. B+: 89-88. B: 87-82. B-: 82-80. C+: 79-77. C: 76-73. C-: 72-70. D: 69-60. F: Below 60

Religious Holidays: It is the responsibility of student, within the first two weeks of the semester, to let their instructors know the dates of major religious holidays on which the student will be absent or unavailable due to religious observances. [Here](#) is a link to Mason's religious holiday calendary.

Special Accommodations: If you are a student with a disability and you need academic accommodations, please see me and contact Disability Services at 703-993-2474 or ods.gmu.edu. All academic accommodations must be arranged through that office.

Policy Regarding Audio/Video Recording and Pictures Videorecordings — whether made by instructors or students — of class meetings that include audio, visual, or textual information from other students are private and must not be shared outside the class.

Live video conference meetings (e.g. Collaborate or Zoom) that include audio, textual, or visual information from other students must be viewed privately and not shared with others in your household or **recorded and shared outside the class.**

Academic Dishonesty: Cheating will not be tolerated and can result in a failing grade, dismissal from class, and expulsion from the university. If I suspect you of cheating, I will seek the appropriate punishment under George Mason University guidelines. Please review the George Mason University Honor System and Code. Please visit <http://oai.gmu.edu/> to familiarize yourself with the full terms of the GMU Honor Code.

Notice of Mandatory Reporting of Sexual Assault, Violence, and Stalking: I am designated as a “Responsible Employee,” and must report all disclosures of sexual assault, interpersonal violence, and stalking to Mason’s Title IX Coordinator per University Policy 1412. You may seek assistance from Mason’s Title IX Coordinator, Jennifer Hammat, by calling 703-993-8730 or email cde@gmu.edu. If you wish to speak with someone confidentially, please contact one of Mason’s confidential resources, such as Student Support and Advocacy Center (SSAC) at 703-993-3686 or Counseling and Psychology Services (CAPS) at 703-993-2380. The 24-hour Sexual and Intimate Partner Violence Crisis Line for Mason is 703-380-1434.

Privacy: Student privacy is governed by the Family Educational Rights and Privacy Act (FERPA) and is an essential aspect of any course. Students must use their MasonLive email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address.