



**Comparative Economic Systems
ECON 695/Summer 2022**

Instructor Information:

Professor Peter J. Boettke
pboettke@gmu.edu

Course Description:

Throughout the 20th century the “Big” political and economic debate was between capitalism and socialism. The intellectual challenge to capitalism dates much further back in time, and the specific socialist challenge to the capitalist system dates to the 19th century and was most developed in the works of Karl Marx. But in the 20th century, those ideas were translated into public policy in one form or another throughout the world. At one point $\frac{3}{4}$ of the world population existed under communist and socialist rule. But these socialist political and economic systems began to fall apart in the 1970s-1980s and most collapsed in the late 1980s, and early 1990s.

Since that time, comparative analysis of political-economic systems has moved from the debate between socialism and capitalism to an examination of the political economy of transitioning societies from forms of socialism to new forms of capitalism. Along the way, the transitions have had many ups and downs. We now are focused on studying not only the former socialist economies, but the failed and weak states of Africa, Middle East, and Latin America, as well as the newly emerging economies of East Asia, and the newly opened economies of India and China.

Since 2008, we must now also deal with the causes and consequences of the global financial crisis and the vulnerabilities it exposed in the Western democratic systems of Europe and North America. The current generation of economic commentators is now also addressing the political, economic and social consequences of inequality and social divisions. And each of these areas of concern were heightened, not lessened, during the Covid-19 global pandemic of 2020 and 2021 and continuing in 2022.

During the course of this class, it our hope to give you an analytical framework for assessing economic systems and these pressing issues of public policy, as well as provide some historical context to the various theoretical debates, and some basic empirical results that cannot be ignored if intellectual progress is going to be made in our understanding of the political and economic reality of our time.

Course Objectives:

After completing the course, learners will be able to:

1. Understand the main concepts and themes in the field of comparative economic systems
2. Evaluate these concepts and themes in comparative economic systems
3. Understand the empirical analysis of the impact of comparative political, legal, and social arrangements on economic performance through time
4. Understand the main debates in the academic literature in comparative economics systems, both theoretical and empirical
5. Evaluate the empirical analysis in the comparative economic systems academic literature
6. Synthesize and apply the concepts and analysis from the comparative economic systems literature to address pressing contemporary issues and current events.

Economics Program Goals:

After completing the program, learners will be able to:

1. Use general equilibrium thinking to assess major national and global economic issues.
2. Draw upon theory and evidence to evaluate different claims about intertemporal choice.
3. Be able to use and explain supply and demand far better than before.
4. Evaluate popular and academic claims about the role of different government policies on the macroeconomy.
5. Distinguish between short-run and long-run claims about the role of monetary policy on the macroeconomy.
6. Appraise various theories of cross-country income inequality, both behavioral and neoclassical.
7. Use basic tools of financial economics to explain bank runs, bubbles, and stock market movements.

Textbook:

Mitchell, M. D., & Boettke, P. J. (2017). *Applied mainline economics*. Mercantus Center.

Assessment:

There is a written assignment after each lecture. These will be worth 10 points each. You will also have a final assignment worth 20 points. Your grade will be based on a 100 point scale with 90 and above equal an A; 80 and above equal a B; 70 and above equal a C.

Office Hours

There will be no regular office hours, however, I am willing to address any questions about the course and the materials via email (pboettke@gmu.edu) and set up an online meeting if that would be helpful. In addition, I will hold a virtual meet and greet the first week of class, and then set up an online forum around week 4 to address any questions or concerns, and then another week 8 to address any questions concerning the final assignment.

Honor Code and Academic Honesty:

By choosing to take this course, you agree to uphold the George Mason University Honor Code. Please refer to academicintegrity.gmu.edu for further details.

In your work on all written assignments, keep in mind that you may not present as your own the words, work, or the opinions of someone else without proper acknowledgement. You also may not borrow the sequence of ideas, the arrangement of material, or the pattern of thought of someone else without proper acknowledgement.

Please note: Faculty are obligated, without exception, to submit any Honor Code violations or suspected violations to the Honor Committee.

Writing Guidelines:

All writing assignments should be formatted as follows, unless otherwise specified: double-spaced, Times New Roman, 12-point font, and 1-inch margins. To cite and reference professional or academic sources, please use APA style. Specific instructions for in-text citations and referencing are found in the *Publication Manual of the American Psychological Association*, 6th Edition or at <http://owl.english.purdue.edu/owl/resource/560/01/>.

George Mason University has a writing center that can help you improve English writing skills. More information is available at <http://writingcenter.gmu.edu/>

Students With Disabilities:

Students with documented disabilities should contact the [Office of Disability Services](#) (703) 993-2474) to learn more about accommodations that may be available to them.

(From the 2019-2020 Catalog – catalog.gmu.edu)

ECON 695 Course Schedule

All course times are in ET.

Weeks	Topics	Readings	Assignments
Week 1	Course Introduction and the "Big Questions" in Political Economy	<ul style="list-style-type: none">Mitchell, M. D., & Boettke, P. J. (2017). <i>Applied mainline economics</i>. Mercantus Center.<ul style="list-style-type: none">Chapter 1: An Enduring Puzzle	Attend a virtual synchronous meeting with the instructor on Tuesday, 2:30 PM - 3:30 PM ET . Attendance is not mandatory but highly recommended. Week 1 Assignment - to be completed by Sunday, 11:59 PM ET .
Week 2	Economic Calculation & Economic Planning	<ul style="list-style-type: none">Mitchell, M. D., & Boettke, P. J. (2017). <i>Applied mainline economics</i>. Mercantus Center.<ul style="list-style-type: none">Ch. 2: The Main Themes of Mainline Economics	Week 2 Assignment - to be completed by Sunday, 11:59 PM ET .
Week 3	The Socialist Calculation	<ul style="list-style-type: none">Caldwell, B. (1997). Hayek and socialism. <i>Journal of Economic</i>	Week 3 Assignment - to be completed by Sunday, 11:59 PM ET .

	Debate	<i>Literature</i> , 35(4), 1856-1890.	
Week 4	How Do Markets Work	<ul style="list-style-type: none"> • Mitchell, M. D., & Boettke, P. J. (2017). <i>Applied mainline economics</i>. Mercantus Center. <ul style="list-style-type: none"> ◦ Chapter 3: Market Process Economics • Lipton, D., & Sachs, J. (1990). Privatization in Eastern Europe: The case of Poland. <i>Brookings Papers on Economic Activity</i>, 2, 293-341. 	Attend a virtual synchronous meeting with the instructor on Tuesday, 4:30 PM - 5:30 PM ET . Attendance is not mandatory but highly recommended. Week 4 Assignment - to be completed by Sunday, 11:59 PM ET.
Week 5	How Do Institutions Shape Incentives	<ul style="list-style-type: none"> • Mitchell, M. D., & Boettke, P. J. (2017). <i>Applied mainline economics</i>. Mercantus Center. <ul style="list-style-type: none"> ◦ Chapter 4: Institutions and Culture 	Week 5 Assignment - to be completed by Sunday, 11:59 PM ET.
Week 6	Politics as Exchange	<ul style="list-style-type: none"> • Mitchell, M. D., & Boettke, P. J. (2017). <i>Applied mainline economics</i>. Mercantus Center. <ul style="list-style-type: none"> ◦ Chapter 5: The Political Process • Frieden, J. (2020). The political economy of economic policy. <i>Finance & Development</i>, 57(2), 1-9. 	Week 6 Assignment - to be completed by Sunday, 11:59 PM ET.
Week 7	Reimagining Socialism in the 21st Century	<ul style="list-style-type: none"> • Fernández-Villaverde, J. (July 29, 2021). Artificial intelligence can't solve the knowledge problem. <i>Public Discourse</i>. • Morozov, E. (2019). Digital socialism? The calculation debate in the age of big data. <i>New Left Review</i>, (116-117), 33-67. 	Week 7 Assignment - to be completed by Sunday, 11:59 PM ET.
Week 8	The Smithian Plan for Liberty, Equality, and Justice	<ul style="list-style-type: none"> • Mitchell, M. D., & Boettke, P. J. (2017). <i>Applied mainline economics</i>. Mercantus Center. <ul style="list-style-type: none"> ◦ Chapter 6: A Liberal Program That Appeals to the Imagination 	Attend a virtual synchronous meeting with the instructor on Monday, 9:00 AM - 10:00 AM ET . Attendance is not mandatory but highly recommended. Week 8 Assignment - to be completed by Sunday, 11:59 PM ET. Final Exam - to be completed by Sunday, 11:59 PM ET.