

GEC Statement and Assessment Plan
Economics 508

I. GOALS AND OBJECTIVES

Economics 508 (Transition Economic Systems) is being proposed for two GEC categories: Social Diversity in the non-Western World and Third Writing.

International Issues (western/non-western)

International Issues courses help students become educated, productive, and principled citizens of their nation and the world. Students exhibit an understanding of political, economic, cultural, physical, and social differences among the nations of the world, including a specific examination of non-Western culture.

As an international issues course, the subjects covered in Economics 508 address economic, political, cultural, and social differences among the nations of the world, specifically non-Western countries experiencing economic transition. Students will show progress in developing these ideas through regular homework assignments covering the assigned readings in the course. The course addresses geo-political issues in the following ways:

1. **Economic (Domestic):** Economics 508 draws on economics principles and applied research to study contemporary domestic economic issues in countries experiencing economic transition. Examples of issues that will be investigated include:
 - a. Labor Market and Human Resource Development
 - b. The structure of government and the role of foreign investment in shaping economic development in the region
 - c. The effects of international trade on economic development
 - d. Poverty: its social consequences and solutions
 - e. Privatization: fairness vs. efficiency
 - f. Land reform

2. **Economic (International/Geopolitical):** International Economic issues are addressed through comparison of China's progress toward export-led growth, compared with India's stagnation under autarky. Russia's dependence on petroleum and natural resource exports and the influence of the "Dutch Disease" provide a stark comparison with the relatively resource-poor countries of China and India.

3. **Political:** There will be a major emphasis on the comparative transitions of India, China, and Russia (Former Soviet Union). The following political aspects will be covered:
 - a. China's economic progress under one-party rule; transition from Maoism to state-sponsored economic reform; impact of globalism under entry to WTO; impact on political transformation.
 - b. India's democratic socialism and transition to reform in the late 1990s; bureaucracy and corruption; transition from autarky to a more open economy.

- c. Russia's transition from dictatorship to democracy and retrenchment— interaction with privatization and global opening
 - d. Evaluation of the Chinese, Indian, and Russian experiences in light of Hayek's classic treatise on political economy.
4. **Socio-Cultural:** The course will investigate the diverse cultural histories of China (Confucianism-Maoism-Post-Mao direction toward consumerism), India (Ghandi-ism and high value placed on self-sufficiency, Hindu-Muslim conflicts; China (transition from village, agricultural orientation to manufacturing-service urban economy with decline of the family unit offering social security); Russia (difficulty in weaning the population from state subsidies; rise of the oligarchic society) will provide a framework for understanding the diversity of economic events in the past 25-35 years. The course will investigate countries facing the West with their orientation toward Greco-Judaic-Christian philosophy and scientific orientations and major East Asian countries with their Confucian orientation. How the latter have adapted western ideas of political philosophy and economic individualism to Confucian values is a central theme of the reading assignments from Hayek (basic Western views), Gaidar (the Russian perspective) and Naughton (western writer who is an acknowledged expert on China). The course will also discuss how markets and individualistic goals evolve in diverse cultural settings.

The coursework required in Economics 508 enhances students' understanding of economic, political, cultural, and social differences among the nations of the world, specifically non-Western countries experiencing economic transition. The course paper requires students to access and incorporate secondary data sources such as government statistical documents and reports, to incorporate them intelligently into the paper, and to demonstrate understanding of how these data and information can be used to assess conflicting ideas on socio-economic processes and change. Examinations and class discussions and presentations relate to the economic, social, cultural and political relationships among countries of China, India, and Russia. The critical importance of natural resources (petroleum and minerals in Russia, and other resource scarcity in the Former Soviet Union (Russian Federation) and China) plays a major role in the focus of the course. An additional issue is to show how India's reluctance to engage the global economy (autarky) slowed its economic progress and how its democratic tradition interacted with the conflict between the need for a social safety net and the creation of incentives suitable for economic growth and development.

Third Writing Course

As a writing course, Economics 508 will develop students' skills in the written articulation of ideas as well as the students' critical and analytical abilities in reading demanding texts and synthesizing ideas. The writing requirements of the course fall into two major sections:

- a. Before every lecture # 1 through #17 there will be a written homework assignment that must be submitted on Carmen by the designated deadline. The written homework assignments consist of essays answering questions based on the day's reading assignment and should be 250-500 words in length. Each assignment will receive

feedback and will be graded for basic writing style, proper use of written English, and for content and evidence of understanding the day's reading assignment.

- b. Each student must choose a research topic from a list provided by the instructor (or suggest one of their own, subject to instructor's approval). Students will go through a process of choosing a topic, researching and developing it in conjunction with meetings with the course instructor and GTA. Students will ultimately be assessed through a final paper and an oral presentation. The course paper requires students to access and incorporate secondary data sources such as government statistical documents and reports, to incorporate them intelligently into the paper, and to demonstrate understanding of how these data and information can be used to assess conflicting ideas on socio-economic processes and change. Students will submit a preliminary draft of the written paper for feedback from the instructor. The student's grade will depend on English writing style, proper use of written English, and content and evidence of understanding basic issues in the chosen topic. The oral presentation component will be assessed for style, clarity, and content relative to the subject matter.

II. METHOD OF ASSESSMENT

The assessment plan for Economics 508 considers the goals and rationale for the Social Diversity (non-Western) and Third Writing GEC Categories. As set forth in the Operational Manual, "Departments offering courses currently approved as fulfilling a GEC requirement should be able to provide student learning outcome evidence to demonstrate course effectiveness in meeting the goals and objectives of the GEC Category for which it was approved to maintain GEC status." To this end, students will complete the attached survey at the end of the quarter, and the results will be taken into consideration for improvements for future offerings of the course.

The surveys below will act as an assessment method and will show evidence of change as well as end result (summative) outcomes.

In addition to the survey above, the final examination will include a minimum of two questions to assess the extent to which it may meet the GEC goals and objectives. Examples include:

1. In the first five years of their respective post-planning reforms, the former Soviet countries experience severe inflation, while the People's Republic of China did not. Why? Be sure to discuss both the proximate (monetary) causes of the difference in inflationary experience and the political and institutional factors explaining the difference. If "shock therapy" worked so well in Bolivia to stop inflation, why didn't it work in Russia?
2. According to a conversation reported by the instructor, the internal structure of programming "group" relations is quite different in the Google than in Microsoft: Within Microsoft, programmers are grouped into units that compete to develop the "best" solution to various computing problems, for example, developing components of the new Vista software. In contrast, at Google, employee groups are less well defined, and employees are encouraged to contribute their ideas to software development across group lines, sharing ideas.

The following two quotations from the two companies' web pages appear consistent with the conversation, and are copied below.

 - Blending collegiate camaraderie with an intense business environment, the "campus" in Redmond is a community unto itself (Microsoft).
 - Google's emphasis on innovation and commitment to cost containment means each employee is a hands-on contributor. There's little in the way of corporate hierarchy and everyone wears several hats (Google).

Use your study of the nature and transformation (if any) of production units (both agriculture and nonagriculture) in the Former Soviet Union and the People's Republic of China to evaluate the likely success of the Microsoft strategy compared to Google's. Explain why or why not such a comparison of the transition experiences of the FSU and PRC makes scientific sense.
3. What historical and institutional factors can help explain why the transition from a planned to a market economy began in agriculture in China, but not in Russia? Be sure to discuss the nature of the reform in China's agriculture and the incentive structure of the reform. Could the same policies have been successful in Russia? If they could have been successful in Russia, why weren't they adopted? What historical factors can be brought to bear on your answer?
4. Here are some quotations from an article, "Does Privatization Enhance or Deter Small Enterprise Formation?" by Daniel Berkowitz and Jonathan Holland (Economics Letters 74 (2001), 53-60.) "In post-socialist economies, there has been a rapid entry of small legally registered start-ups and spin-offs from state-owned enterprises (hereafter denoted small enterprises) into construction, trade, food establishments, commercial services and small-scale manufacturing. ...Small enterprise entry has been explosive in China and Poland, which are the most rapidly growing transition economies, while entry has been slow in Russia, which has contracted during the transition."

Based on these remarks, answer the following questions, basing your answer to readings, lectures, and other materials studied in this course.

- a. Is the positive association between the emergence of small enterprise and economic growth in transition consistent with the arguments in Hayek (1945)? Be specific in describing Hayek's arguments and how they might relate to small enterprises.
 - b. Would such an association, if it exists, be more likely to benefit the development of major resource-based industry such as oil production, consumer-goods manufacturing, or retail services during early transition? Why?
 - c. Do you expect that the emergence of profitable small enterprises would be more likely in localities with well-established traditional socialist government-owned enterprises? Why and how?
 - d. Would corruption (strictly defined as illegal payments in return for permission to conduct a business or payments as protection against illegal seizure of property) to be deterrent to the emergence of small businesses? How does corruption as defined in this question relate to "institutions" and "disorganization" factors in transition economies.
 - e. Is the relatively slow development of small enterprise in Russia compared to Poland suggest that "shock therapy" was a bad idea?
5. The period around 1990 marked important turning points for the economies of both Russia and India. Describe the important events that occurred, being sure to indicate the macroeconomic indicators that most succinctly describe these turning points.
- a. What happened just before?
 - b. What happened afterward?
 - c. How do these events bear on the "legal origins" approach to economic development?
 - d. How do they bear on the role of global economic relations in economic development?
 - e. Can we draw any lessons for the importance of democracy in promoting economic growth from these events?
 - f. Can we draw any lessons for the importance of corruption in the economic growth process?

Finally, the writing component of the course will be assessed in two ways:

1. I will review one of the student assignments submitted between the second and third weeks and one of the student assignments submitted between the eighth and ninth weeks of the quarter. I will grade both sets based on basic writing style, proper use of written English, content, and evidence of understanding the material. I will compare the papers on those dimensions.

2. I will grade the papers and oral presentations by focusing specifically at the use of data sources and their integration with the principle arguments of the paper as well as proper use of written English (for the written assignments), clarity, style, content, and evidence of understanding basic issues in the chosen content.

III. PLAN FOR COURSE CONTINUITY

Copies of the course syllabus, including GEC Goals and Objective and Survey will be retained in the Economics Department office and provided to teaching faculty and graduate students.

IV. PLAN FOR COURSE IMPROVEMENT

Summary of the student surveys will be reported to the Director of Undergraduate Studies. In consultation with the DUS, instructors will make modifications to the course content or pedagogy will be made to better achieve the GEC goals.