ECON 371: Comparative Economic Systems

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Office Hours: MW 9:30-10:30; https://umass-amherst.zoom.us/j/98751283457

Zoom Classes: https://umass-amherst.zoom.us/j/94728522064

Course Description:

We live in a highly integrated capitalist world economy in which national economies differ from each other in terms of their standard of living, organization of economic activities, the nature of institutions, and political regimes. Traditionally, comparative economic systems as a sub-discipline of economics focused on capitalist and socialist economies. Given that most of the actually existing socialist countries were recently disintegrated, the focus of comparative economic systems shifted towards studying the relationship between economic performance and institutions. Our textbook also adopted the latter focus with some discussion of the history of capitalist and socialist economies. At the same time, especially after the 2007/8 great recession and the current COVID19 crisis, many started to question the capitalist economic system by exploring varieties of alternatives to capitalism, including socialism and more democratic, participatory economies. Due to these rapid and transformative changes in the world economy, our focus will be more exploratory and sensitive to billions of people's recent economic problems throughout the world.

Grading:

Mid-term Exam.................................................................%25
Final Exam.................................................................%35
Critical Commentaries/Clipping Theses [(5+5) x 3].............%30
Participation..........................................................................%10

Exams: The final and mid-term exams will have two parts: the first part has multiple choice questions based upon the text (%75) and short answer questions based on lectures/videos/the text (%25).

Critical Commentaries (not more than 500 words) will be based on the assigned readings and your own choice of alternative reading on the same issue. A two-page commentary consists of a summary of the argument in the assigned reading (1st page) and a summary of the alternative argument in the chosen material (2nd page).

Clipping thesis is a written one-page assignment consisting of the link to a WSJ clipping
itself and your own 250-word, 3 paragraph commentary. No late submission will be accepted. You may see an example of this assignment below with specific references to its structure, i.e., each paragraph’s function/content. Moreover, the structure of the commentary will also be explained in the first class meeting. By following the link below, you can get a reduced student subscription rate for the WSJ ($4 for 4 weeks, $12 for the term): https://r.wsj.com/PROF57fk.

Clipping Thesis Sample

This article in the Economist discusses the argument in the economic community about business cycles and whether they are fully understood or not. Macroeconomists attempt to understand what policies help to cause and prevent business cycles, to work out when it is best for the government to intervene— if at all. But it is not easy to fully understand them, partially because they don’t occur enough for there to be sufficient data to rigorously analyze them. Also, it is often difficult to separate natural business cycles from other factors of structural economic change stemming from technology and demography. In some respects, looking to the past does help economists prevent future economic recessions— if it weren’t for the memory of the Great Depression, the 2008 Economic Recession may have ended up much worse— yet policy-makers didn’t correct all the mistakes of the past. Keynesians blamed recession on a shortfall in demand and changes in investment practices. Keynesians argued that high employment and low inflation can extend expansion and postpone recession. Classical economists continued to argue that monetary stability and limiting government intervention can mend all economic woes. Additionally, New Keynesians argue that even rational people can help contribute to downturn. Even seemingly rational people exhibit irrational behavior when in a group. Even though economists have numerous examples from history to learn from, and even though mathematical models and complex theories have been created to understand and predict business cycles, mistakes from the past continue to be repeated. Financial mistakes that helped cause the 2008 economic recession have still not been corrected. Even though economists understand much more about the causes of the business cycle than they did a century ago, one thing is for certain: the inevitability of the business cycle has still not gone away. This article relates to chapter where we talked about business cycles and periodic recessions. Marx saw business cycles as being caused by decrease in demand, the concentration of capital, and in general, the unsustainable expansionary behavior of the capitalist system. He saw business cycles as an inevitable part of capitalism, because capitalism does not operate in a state of equilibrium, and occasionally the economy will need to correct itself.

3 Paragraph Structure

1st One (or two) sentence about the topic of the clipping;

2nd The way in which the clipping discussed the topic effectively/ineffectively, used/missed the concepts, the mode of analysis, etc. (a kind of brief and to the point summary with no personal criticism/feeling)

3rd Your views and criticisms if you have any. A view can be appreciative as well.

Note on Academic Honesty

Penalties for any breach of academic honesty (such as giving or receiving help or using outside material during exams, or plagiarism) are severe and include University disciplinary action. Information on the University's academic honesty policy and examples of academic dishonesty are available under Academic Honesty Policy at http://www.umass.edu/dean_students/academic_policy.

Disability Accommodation

Requests for disability accommodation will be made in time to the Disability Services at UMass. For information, see http://www.umass.edu/disability/

Course Material:

The readings are primarily from the following textbook and other readings. Additional readings and internet sources will also occasionally be suggested.

Segments of PBS series *Commanding Heights*. Episode One

**Readings:**

Week 1  Economic History and Economic Systems

   GS, Chapter 1

Week 2  Definition and Classification of Economic Systems

   GS, Chapter 2

Week 3  How Economic Systems Change

   GS, Chapter 4

Week 4  Theory of Capitalism

   GS, Chapter 6

Week 5  Theory of Planned Socialism

   GS, Chapter 7

   A Video Introduction to *Towards A New Socialism*

Week 6  Theory of Market Socialism

   GS, Chapter 8

Week 7  England during the Industrial Revolution

   GS, Chapter 10

Week 8  The European Model

   GS, Chapter 12

Week 9  The Asian Model

   GS, Chapter 13
Week 10: The Soviet Economy – I

GS, Chapter 14

Week 11: The Soviet/Russian Economy - II


Week 12: China: Communist Party, Markets, and Socialism

GS, Chapter 15

Week 13: Socialism in the US?
