

August Hardy

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ECON 385-001

East 122

MWF 11:30-12:20

Syllabus for Econ 385 – International Economic Policy

Course Focus:

The goal of this course is to help students understand international economic policy and think critically about political and social issues by using the economic way of thinking. It is designed especially for non-economics majors and students with little-to-no familiarity with economics. I teach this course like it is the first, and last economics class you will ever take. **Economics majors cannot apply this course to their 24 credits of 300-400 level elective courses requirement.**

Upon completion of the course, students should be able to apply the economic way of thinking to their own interests and future studies or professional aspirations that involve socio-political issues.

Prerequisites:

None

Texts:

The following are required texts for this course:

1. Bauer, Peter T. (2000). *From Subsistence to Exchange and Other Essays*. Princeton, NJ: Princeton University Press. ISBN: 978-0691117829
2. Easterly, William. (2002). *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Cambridge, MA: MIT Press. ISBN: 978-0262550420
3. Gwartney, James, Richard L. Stroup, Dwight R. Lee, and Tawni Ferrarini. (2010). *Common Sense Economics - Revised and Updated*. New York: St. Martins Press. ISBN: 978-0312644895
4. Boudreaux, Donald. (2007). *Globalization*. Greenwood Press. ISBN: 978-0313342134
5. Hazlitt, Henry. (1979). *Economics in One Lesson*. New York: Three Rivers Press. Available from http://mises.org/books/economics_in_one_lesson_hazlitt.pdf
6. Mises, Ludwig Von. (2005). *Liberalism*. Indianapolis: Liberty Fund, Inc. Available from: <https://mises.org/library/liberalism-classical-tradition>

I will assign a few miscellaneous readings throughout the course, which I will either hand out or link you to on Blackboard.

Grading and Paper:

Students' final grades will be a weighted combination of a paper, quizzes, and participation.

Paper	60%
Quizzes	30%
Participation	10%

Grades are based on the traditional 10 point scale.

Paper

Students are required to write a short research paper on a topic in political economy of their choosing. I strongly recommend starting early and discussing topics with me, but that is not required. The purpose of this paper is to apply economic reasoning to a problem in political economy and to recommend sound economic policies, as well as to hone students' writing and presentation skills. I will provide a paper-writing guide later in the semester.

Students are required to submit a 100-word abstract of their paper before Fall Break.

Quizzes:

There will be a short quiz upon completion of each lesson. At the beginning of each lesson I will provide "homeworks" with questions to check your understanding of the material. I will not collect these homeworks, but the quizzes will be random questions from the homeworks. The lowest two quiz grades are dropped at the end of the semester.

Office Hours:

The best way to contact me is by email at rhardy3@masonlive.gmu.edu. I am usually very quick to respond to my e-mail. My official office hours and location are currently TBD.

Enrollment Statement:

Students are responsible for verifying their enrollment in this class. Schedule adjustments should be made by the deadlines published in the Schedule of Classes. (Deadlines each semester are published in the Schedule of Classes available from the Registrar's Website registrar.gmu.edu)

Final Drop Deadline (67% tuition liability) 10/2

After the last day to drop a class, withdrawing from this class requires the approval of the dean and is only allowed for nonacademic reasons.

Undergraduate students may choose to exercise a selective withdrawal. See the Schedule of Classes for selective withdrawal procedures.

Disability Statement:

If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Resources at 703.993.2474. All academic accommodations must be arranged through that office.

Honor Code

George Mason University has an Honor Code, which requires all members of this community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited. All violations of the Honor Code will be reported to the Honor Committee.

Schedule:

Part 1: Price Theory

Lesson 1: The Economic Way of Thinking

Scarcity, Opportunity Cost, Marginal Thinking

Readings:

None

Lesson 2: Cooperation and Exchange

Competition, Incentives, Comparative Advantage, Trade

Readings:

Gwartney Ch. 1

Hazlitt Ch. 1

Lesson 3: Supply and Demand

Supply, Demand, Equilibrium, Arbitrage, Efficiency

Readings:

None

Lesson 4: Market Process

Disequilibrium, Entrepreneurship, Knowledge Problems, Profits and Losses, Spontaneous Order

Readings:

Hazlitt Ch. 15, 22

Hayek (1945)

Klein (2006)

Safner (2010)

Part 2: Political Economy

Lesson 5: Economic Consequences of Government Policy

Price Controls, Taxation, Regulation

Readings:

Friedman and Stigler (1946)

Gwartney Ch. 12

Hazlitt Ch. 4, 17-19

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Lesson 6: Public Choice: The Economics of Government

Incentive Problems, Market Failures, Government Failures, Voting, Democracy

Readings:

Buchanan (2000)

Easterly Ch. 12

Mises Ch. 4.2, 4.4, 4.5

Mitchell (2012)

Lesson 7: Comparative Economic Systems

Robust Political Economy, Capitalism, Socialism, Fascism, Interventionism

Readings:

Leeson (2010)

Mises Ch. 2.4, 2.6

Von Mises ([1920] 1990)

Part 3: International Trade and Policy

Lesson 8: Free Trade and Its Discontents

Mercantilism, Free Trade, Tariffs, Sanctions

Readings:

Hazlitt Ch. 11, 12, 14

Krugman (1993)

Lesson 9: Business: Production, Capital, and Corporations

Factors of Production, Investment, Interest, Firms, Foreign Investment, Sweatshops

Readings:

Bauer Ch. 1

Hazlitt Ch. 22

Von Mises ([1979] 2006) Ch. 5

Part 4: Economic Development

Lesson 10: Institutions and the Causes of Economic Growth

Readings:

Bauer Ch. 1-4

Easterly Ch. 1-2

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Lesson 11: Foreign Aid

Readings:

Bauer Ch. 5-6

Easterly Ch. 4-7

Lesson 12: War, Peace, and Nation-Building

Readings:

TBA

Lesson 13: Anarchy and Development

Readings:

None

Lesson 14: Misc. and Popular Topics

Readings:

None