

**George Mason University**  
**Economic Development, Latin America**  
**Syllabus, Fall 2023**

ECON 361-001, Fairfax Campus  
Horizon Hall, Room 1011  
Wednesday, 7:20 pm – 10:00 pm

Nick Wilson  
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**RECOMMENDED PREREQUISITES**

ECON 103 and ECON 104

**COURSE OVERVIEW**

The fundamental purpose of this course will be to develop an understanding of the determinants of economic growth. Less formally, we will try to develop an understanding of what makes some countries poor while others remain rich. Throughout this exploration, we will focus specifically on the context of Latin America. In doing so, we will discuss the importance of institutions (especially private property and rule of law), foreign aid, public choice, geography, and culture as determinants of whether a country is rich or poor.

**MASON CORE**

This course fulfills requirements for Global Understanding in the Mason Core, a foundational selection of courses in a student's curriculum that foster the knowledge and skills needed for academic success. As such, this course is guided by specific learning outcomes.

**Learning Objectives**

1. The ability to identify and articulate one's own values and how those values influence your interactions and relationships with others, both locally and globally
2. The ability to demonstrate understanding of how the patterns and processes of globalization make visible the interconnections and differences among and within contemporary global societies
3. The ability to demonstrate the development of intercultural competencies
4. The ability to 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

**OFFICE HOURS**

Thursday, 10:00 pm – 2:00 pm via Zoom. I will also try to be available before each class. You can contact me via e-mail to set an appointment.

## **COURSE MATERIAL**

**Required Books:** the following books are the only texts students are required to obtain themselves. All these books should be easily (and cheaply) available on Amazon. Other required reading will be posted on Blackboard or can be found as PDFs online free-of-charge.

- The Tyranny of Experts by William Easterly
- The Elusive Quest for Growth by William Easterly
- The Other Path by Hernando De Soto
- Socialism Sucks by Robert Lawson and Benjamin Powell

**Optional Books:** These books will along with others materials will be discussed in class.

- The Mystery of Capital by Hernando De Soto
- Open Borders by Bryan Caplan

## **EVALUATION**

Your course grade will be based on the following:

Homework / discussion board 20%

Class Presentations: 20%

Participation / quizzes / attendance: 20%

Midterm exams: 15%

Final exam 25%

I will not except late work. If you have any issues with homework of the presentation schedule, contact me before the due date.

If you wish to dispute a grade you must let me know after class and submit a typed request making explicit reference to the problem(s) along with the original test within two class periods (one week) of the day I hand back the graded exams. I will then review your arguments and decide if a mistake was made.

The grading scale is as follows:

A = 94-100;     A- = 90-93

B+ = 86-89;     B = 84-85;     B- = 80-83

C+ = 76-79;     C = 74-75;     C- = 70-73

D = 60-69;     F = Below 60

## **DISABILITY RESOURCE CENTER**

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. If you do require accommodations, it is up to you to provide both me and ODS adequate time to provide accommodations.

## HONOR CODE

Students must know and follow the George Mason University Honor Code. If I catch you cheating on an assignment, I will, at the very least, grant you a 0 on that assignment, and, at the most, I will grant you a 0 for the entire course. I lean towards the latter option, because the first time a student is caught cheating (much like the first time a thief is caught stealing) is rarely the first time that student has cheated.

## IMPORTANT DATES

- **First Day of Fall Classes:** Mon. Aug 21
- **Last Day to Add:** All Individual Sections Forms Due: Mon. Aug 28
- **Unrestricted Withdrawal Period: 100% Tuition Liability** Wed. Sept 13-26
- **Thanksgiving Recess:** No Classes (University Closed): Wed. Nov 22 - Sun. Nov 26
- **Reading Days:** Mon. Dec 4 -Tue. Dec 5
- **Final Exam:** Wed. 12/6 at 7:20 pm – 10:00 pm

## TENTATIVE SCHEDULE

The schedule and readings are subject to change at my discretion, but I will leave you ample time to readjust your schedules if I decide to make such a change.

### Week 1

Introduction, Syllabus Review, Trade  
Review Economic Principals

- Definitions: Markets, efficiency, positive/normative economics, fairness
- Welfare Economic Theory

Review of Macro Models

- The Solow Model:  $Y = AKL$ ;  $y^* = i_{f(sy)} - (g + n + \delta)k$
- Quantity Theory of Money (QTM):  $MV = PY$

### Week 2

Critical Development Debates: The Blank Slate vs. Learning from History, The Well-Being of Nations vs. That of Individuals, Conscious Design vs. Spontaneous Order

- The Elusive Quest for Growth: Pt1/Ch1 Why Growth Matters & To Help the Poor (pg xi-20)
- Tyranny of Experts, Chapters 1 Introduction
- Tyranny of Experts, Chapters 2 Nobel Laureates and the Debate They Never Had
- Tyranny of Experts, Chapters 5 One Day in Bogotá

### Week 3

Foreign Aid

- Duna, Nabamita, Peter T. Leeson, and Claudia R. Williamson. 2013. "The Amplification Effect: Foreign Aid's Impact on Political Institutions." *Kyklos* 66: 208-228.
- The Elusive Quest for Growth, Chapters 2 & 6-7

### Week 4

## Education

- The Elusive Quest for Growth, Chapter 4
- Hanushek, Eric A., and Ludger Woessmann. **Schooling, cognitive skills, and the Latin American growth puzzle.** No. w15066. National Bureau of Economic Research, 2009.

## Technology

- The Elusive Quest for Growth, Chapter 9
- The Tyranny of Experts, Chapter 12

## Week 5

### Property Rights

- Demsetz, Harold. "**Toward a theory of property rights.**" Classic papers in natural resource economics. Palgrave Macmillan, London, 1974. 163-177.

### Entrepreneurship

- The Tyranny of Experts, Chapter 11
- Baumol, William J. "**Entrepreneurship: Productive, unproductive, and destructive.**" Journal of business venturing 11.1 (1996): 3-22.
- Boettke, Peter J., and Christopher J. Coyne. "**Entrepreneurship and development: Cause or consequence?.**" Austrian economics and entrepreneurial studies. Emerald Group Publishing Limited, 2003. 67-87.

## Week 6

### Institutions, Government Corruption

- The Elusive Quest for Growth, Chapters 11-12
- The Tyranny of Experts, Chapter 13-14

## Week 7: Midterm review & miscellaneous topics

Geography: **Guns, Germs, and Steel** by Jared Diamond (Video PBS 2005)

## Week 8: Midterm

## Week 9 The Economic Problem

### Trade, The Knowledge Problem, Economic Calculation

- Mises, Ludwig von. 1920. "**Economic Calculation in the Socialist Commonwealth.**" Chapters 1-5 and Conclusion [<http://www.mises.org/econcalc/econcalc.pdf>]
  - **Foreword, Introduction & Ch1** (pp vii-7)
  - Ch 2 and Ch 3 (pp 8-30)
  - Ch 4, Ch 5 & Conclusion (pp 31-49)
- Hayek, F.A. 1945. "**The Use of Knowledge in Society.**" American Economic Review 35: 519- 530.

## Week 10

### Hernando De Soto (2008) The Other Path

- Introduction
- Informal Housing
- Informal Trade
- Informal Transport

#### Week 11

Hernando De Soto (2008) *The Other Path*

- The Costs and Importance of the Law
- The Redistributive Tradition
- The Parallel with Mercantilism
- Conclusion

Optional: Hernando De Soto (2000) **The Mystery of Capital**: Why Capitalism Triumphs in the West and Fails Everywhere Else

#### Week 12

- Socialism Sucks, Chapters 1+1-2
- Williamson, Claudia R., and Carrie B. Kerekes. 2009. "**Propertyless in Peru, Even with a Government Land Title.**" *American Journal of Economics and Sociology* 69: 1011-1033.

#### Week 13

Stability, War & Civil Unrest

- The Elusive Quest for Growth, Chapters 13 Polarized Peoples

**Thanksgiving Recess: No Classes (University Closed):** Wed. Nov 22 - Sun. Nov 26

#### Week 14

Final presentations and final exam review

#### **FINALS WEEK**

- **Reading Days:** Mon. Dec 4 -Tue. Dec 5
- **Final Exam:** Wed. 12/6 7:20 pm – 10:00 pm