

Sam Houston State University  
Department of Political Science  
Fall 2007

**Economic Policy (POL 392)**  
Tuesday and Thursday 11:00-12:20  
Academic Building I, Room 307

Professor: **John M. Bolus, Ph.D.**

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Office Hours: Tuesday and Thursday 8:15-9:30; or by appointment.

### **Course Overview and Objectives**

This three credit hour course will offer broad coverage of economic policy in the United States and globally through critical and analytical inquiry. Specific objectives are:

- to assist you in gaining a better conceptual and operational understanding of economic policy both in terms of markets and government intervention therein;
- to help you learn and appreciate how economics affects how well we live and all of the other policy choices available to us;
- to help you relate and apply economic decisions-making to decisions in your own life, both now and in the very near future;
- and to assist you in developing skills in critical thinking (i.e. thinking logically, utilizing information sources purposefully, and discussing thoughtfully).

### **Class Format**

Most class sessions will consist of lecturing and discussion on the assigned topics. Everyone is expected to read the assigned material before class. That is a necessary condition for participation. Additionally, performing well depends on curiosity, a desire to engage others and, last but not least, a commitment to be part of a successful collective endeavor. -- And a gentle reminder, turn off cell phones and place all unrelated reading material (newspapers, magazines, etc.) in your bag. Likewise, I expect (and the University demands) that you treat the people around you with respect (i.e. distracting behavior such as eating, arriving late and/or departing early, reading newspapers, and making offensive remarks will not be permitted).

## Course Requirements

Examinations (45%). There will be three exams during the semester. Exams will cover readings and lectures. Exams are a combination of multiple choice, short answer, identification, and essay. Please note: makeup examinations will only be given under extraordinary circumstances and require comprehensive documentation; I will not ask for documentation and if it is not provided promptly your grade will be recorded as a zero.

Critique Papers (30%). You are twice required to prepare a critique paper based on one of the four required texts. Essentially you are responding in an orderly and analytic fashion to a question and line of discussion that I pose to you. These assignments range between four to six pages. Please Note: Only two critique papers may be submitted during the semester.

Quizzes (20%). On five occasions you will be evaluated in class by way of a quiz that covers recent material. Quizzes are generally of a short answer form; though quizzes may also require students to explain and synthesize material in written form. Your lowest quiz score will be dropped.

Attendance (5%). Attendance is crucial for effective participation and performance; to this end, if you miss three or fewer class meetings, you will receive full marks for attendance, however for each additional absence you will lose one-fifth of your possible attendance points.

Grading Scale. The standard SHSU grading scale is in effect: 90-100 A, 80-89 B, 70-79 C, 60-69 D, 59 and lower F. -- Please note: There is no provision for extra credit in this course; it is therefore imperative that you work diligently throughout the entire semester.

## Required Texts

Bhagwati, Jagdish. *In Defense of Globalization*. Oxford University Press.

De Soto, Hernando. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. Basic Books.

O'Rourke, P.J. *Eat the Rich: A Treatise on Economics*. Atlantic Monthly Press.

Peterson, Peter G. *Running on Empty: How the Democratic and Republican Parties Are Bankrupting Our Future and What Americans Can Do About It*. Farrar, Straus & Giroux.

The *Economist*. -- You need a 12 week subscription to the *Economist*. By far the easiest and most affordable way to do this is to go to [www.economistacademic.com](http://www.economistacademic.com) and under "For Students" enter your professor's faculty ID number (4371). Next, you select the length of subscription that you want (I imagine that you will select 12 weeks for \$19.95) and from there just fill in the appropriate fields.

Please Note: On a number of occasions I will provide you with handouts to supplement our study of particular concepts and issues. You are, of course, responsible for these materials in order to prepare and participate effectively in class meetings, as well for examinations and/or quizzes.

## **Academic Dishonesty**

All students are expected to engage in all academic pursuits in a manner that is above reproach. Students are expected to maintain complete honesty and integrity in the academic experience both in and out of the classroom. Any student found guilty of dishonesty in any phase of academic work (exams, quizzes, and attendance) will be subject to disciplinary action. The University and its official representatives may initiate disciplinary proceedings against a student accused of any form of academic dishonesty including, but not limited to, cheating on an examination or other academic work to be submitted, plagiarism, collusion and the abuse of resource materials.

## **Americans with Disabilities Act**

It is the policy of Sam Houston State University that individuals otherwise qualified shall not be excluded, solely by reason of their disability, from participation in any academic program of the university. Further, they shall not be denied the benefits of these programs nor shall they be subjected to discrimination. Students with disabilities that might affect their academic performance are expected to visit with the Office of Services for Students with Disabilities located in the Counseling Center. They should then make arrangements with their individual instructors so that appropriate strategies can be considered and helpful procedures can be developed to ensure that participation and achievement opportunities are not impaired.

SHSU adheres to all applicable federal, state, and local laws, regulations, and guidelines with respect to providing reasonable accommodations for students with disabilities. If you have a disability that may affect adversely your work in this class, then I encourage you to register with the SHSU Counseling Center and to talk with me about how I can best help you. All disclosures of disabilities will be kept strictly confidential. NOTE: no accommodation can be made until you register with the Counseling Center.

## **Student Absences on Religious Holy Days Policy**

Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence. University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe a religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). This request must be made in the first fifteen days of the semester or the first seven days of a summer session in which the absence(s) will occur. The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed.

## **Visitors in the Classroom**

Unannounced visitors to class must present a current, official SHSU identification card to be permitted into the classroom. They must not present a disruption to the class by their attendance. If the visitor is not a registered student, it is at the instructor's discretion whether or not the visitor will be allowed to remain in the classroom.

## **Course Schedule**

### **Part I: Market and State**

#### *Week 1*

Aug. 21 – Course Introduction and Opening Remarks

Aug. 23 – Introducing the U.S. Economy

Readings: O'Rourke, pp. 1-55; De Soto, pp. 1-13; Handouts

#### *Week 2*

Aug. 28 – Basic Economic Concepts

Aug. 30 – The Market Failure Framework

Readings: O'Rourke, pp. 56-123; De Soto, pp. 15-67; Handouts

#### *Week 3*

Sept. 4 – Monetary Policy

Sept. 6 – Monetary Policy and **Quiz #1**

Readings: O'Rourke, pp. 124-230; De Soto, pp. 69-103; Handouts

#### *Week 4*

Sept. 11 – Fiscal Policy

Sept. 13 – Fiscal Policy and **Quiz #2**

Readings: O'Rourke, pp. 231-246; De Soto, pp. 105-151; Handouts

#### *Week 5*

Sept. 18 – Wage and Price Controls (**O'Rourke Paper Deadline**)

Sept. 20 – Wage and Price Controls and Exam Review

Readings: O'Rourke, pp. 104-198; De Soto, pp. 153-205; Handouts

#### *Week 6*

Sept. 25 – **Exam #1**

### **Part II: A Case Study: Unfunded Liabilities: The Seminal Challenge for America**

Sept. 27 – Entitlements

Readings: Peterson, Preface and pp. 3-28; Handouts

*Week 7*

Oct. 2 – Social Security (**De Soto Paper Deadline**)

Oct. 4 – Social Security and Retirement Security

Readings: Peterson, Preface and pp. 29-106; Handouts

*Week 8*

Oct. 9 – Medicare

Oct. 11 – Entitlement Reform and **Quiz #3**

Readings: Peterson, Preface and pp. 29-106; Handouts

*Week 9*

Oct. 16 – Entitlement Reform

Oct. 18 – Social Security Reform and Unfunded Liabilities

Readings: Peterson, pp. 107-146; Handouts

*Week 10*

Oct. 23 – Unfunded Liabilities

Oct. 25 – Unfunded Liabilities and Exam Review

Readings: Peterson, pp. 147-234; Handouts

*Week 11*

Oct. 30 – **Exam #2**

**Part III: Globalization**

Nov. 1 – The Antecedents of Today's Globalization

Readings: Bhagwati, Preface; Handouts

*Week 12*

Nov. 6 – The Balance of Globalization (**Peterson Paper Deadline**)

Nov. 8 – The Balance of Globalization

Readings: Bhagwati, pp. 3-162; Handouts

*Week 13*

Nov. 13 – The Balance of Globalization and **Quiz #4**

Nov. 15 – International Financial Markets and “Commanding Heights” video

Readings: Bhagwati, pp. 162-207; De Soto, pp. 207-228; Handouts

*Week 14*

Nov. 20 – “Commanding Heights” video and International Immigration

Nov. 22 – **Thanksgiving Break**

Readings: Bhagwati, pp. 208-220

*Week 15*

Nov. 27 – Globalization and Governance

Nov. 29 – Globalization and Governance and **Quiz #5**

Readings: Bhagwati, pp. 221-265; Handouts

*Week 16*

Dec. 4 – Globalization and Governance

Dec. 6 – Course Wrap Up and Exam Review (**Bhagwati Paper Deadline**)

Readings: None assigned

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Thursday December 13 – **Exam #3** (11-1)

### **For What It’s Worth –**

“You are not engaged so much in acquiring knowledge as in making mental efforts under criticism. A certain amount of knowledge you can indeed with average faculties acquire so as to retain; nor need you regret the hours spent on much that is forgotten, for the shadow of lost knowledge at least protects you from many illusions. But you go to school not for knowledge as much as for arts and habits; for the habit of attention, for the art of expression, for the art of assuming at a moment’s notice a new intellectual posture, for the art of entering quickly into person’s thoughts, for the habit of submitting to censure and refutation, for the art of indicating assent or dissent in graduated terms, for the habit of regarding minute points of accuracy, for the habit of what is possible at a given time, for taste, for discrimination, for mental courage and mental soberness. Above all, you go to school for self-knowledge.”

William Cory -- Master at Eaton College, 1861.

