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SYLLABUS

ECONOMIC DEVELOPMENT POLICY

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"Economic development," a term appropriated from the third world lexicon, has become a major concern in the United States. Over the past several decades, as Kenan Jarboe has observed, "the economy of the United States has been buffeted by the winds of change. The economy...has gone through inflation, stagflation, recession, recovery, fluctuating interest rates, oil shocks, a slowdown in productivity growth, and the loss of competitive standing in both domestic and international markets. Old industries have faltered and new industries have been born....and trade deficits have reached record levels." Today productivity is booming and the unemployment rate is at a record low.

Yet turbulence in the economy continues. Farmers demand protection from market forces, unions promote government action to protect jobs, business petitions for protection from foreign competition, and states and localities compete with each other for industries and jobs.

And yet within this broad area of economic development are stresses and underlying confusion. While many participants in the economy call upon the government for solutions, there is no consensus which identifies the nature of the problems (as opposed to symptoms), and, consequently, the solutions. The whole area of economic development is reminiscent of the old nursery rhyme "The Blind Man and the Elephant." As a society we cannot yet identify the system in which we operate.

The purpose of this course thus cannot be to "explain" economic development or provide the student with a knowledge of tools and strategies which will make federal, state, or local economic development policies "work." Our aims must be much more modest. The purpose of the course is simply to provide the student with a basic knowledge of the various approaches to economic development and industrial policy which stand at the forefront of national debate.

The course will cover a number of the basic approaches to economic development. While many of the approaches overlap, they differ enough so that conceptual distinctions can be made. Each approach will be discussed in some detail in class.

Description:

An examination of the international and national competitive positions of industry; state and national industrial policy proposals; various approaches to economic development and industrial policy.

Goal:

The goal of the course is to insure that all students understand the major components of national economic development/industrial policy.

Objectives:

To insure that students understand American industrial policy.

To introduce students to the various policy positions related to national industrial policy.

To insure that Ph.D. students can analyze an economic development policy question utilizing economic development data.

Course Texts:

1. Clyde V. Prestowitz, Jr., Trading Places: How We Allowed Japan to Take the Lead (New York: Basic Books, 1988).
2. Bryan D. Jones and Lynn W. Bachelor, The Sustaining Hand: Community Leadership and Corporate Power (Lawrence, KS: University Press of Kansas, 1993), 2nd ed.
3. John M. Rothgeb Jr., U.S. Trade Policy (Washington: CQ Press, 2001).
4. Michael E. Porter, The Competitive Advantage of Nations (New York: Free Press, 1990).
5. Laura D'Andrea Tyson, Who's Bashing Whom? (Washington: Institute for International Economics, 1992).
6. Robert B. Reich, The Work of Nations (New York: Vintage Books, 1992).

7. Paul Krugman, Pop Internationalism (Cambridge, MA: MIT Press, 1996).
8. Ben Hamper, Rivethead (New York: Warner Books, 1991)
9. John E. Anderson and Robert W. Wassmer, Bidding for Business (Kalamazoo, MI: Upjohn Institute, 2000).
10. Richard Katz, Japan: The System that Soured (Armonk, NY: ME Sharpe, 1998).

NOTE: It will not be necessary to purchase all books. The books are all on two-hour reserve at the library. Students need not read the book in depth; merely read and understand the concept and major points. Thus, while we cover a number of books, the reading load for students is not over-whelming.

Reading Assignments:

<u>Date</u>	<u>Topic</u>	<u>Reading</u>
August 28	Film: "Surviving the Bottom Line" (Part I) Introduction	None
September 4	History of American Industrial Policy Film: "Challenge to America: Old Ways, New Game" (first ½)	None
September 11	Comparative Advantage and Competitive Advantage Film: Cleveland City Club Forum, Interview with Michael Porter	Porter: Chapters 1- 4, Chapter 5, pp. 179-194 Chapter 6, pp. 239-247 Chapter 8, pp. 453-480 Chapter 12.
September 18	Corporatism Film: "Losing the War With Japan" Film: "Doing Business in Japan"	Prestowitz, Ch 1-6
September 25	Corporatism Film: "The Japanese Economic Bubble" (library)	Katz, Ch 8, 11-14
October 2	Functional Problem Solving The Chrysler Bailout The S&L Bailout Film: "The Culture of Commerce"	None
October 9	Aggressive Unilateralism Case Examples NAFTA	Tyson, Chapters 1-3,5,7 Rothgeb,

	GAAT (The Uruguay Round)	Chapters 1, 2, 7-9
October 16	Urban Development Film: "Heartbeat of America" Urban Development Action Grants Economic Recovery Tax Act of 1981	Jones, Ch 5-10
October 23	Urban Development Film: Roger and Me"	Hamper, entire book
October 30	Human Resource Development	Reich, Ch 7-25
November 6	The Defense Connection Semitech Flat Panel Displays Film: "Nerds 2.0.1" Volume One (library)	None
November 13	Technology Policy Partnership for a New Generation of Vehicles	None
November 20	State and Local Policy Special Presentation	Anderson and Wassmer, Ch. 1-6
November 27	American Industrial Policy Film: "Challenge to America: Winning Strategies"	Krugman, entire book
December 4	Student Presentations	
December 11	Final Exam	

Class Meetings

The class meets from 4:30pm to 8:20pm. Students are expected to be on time for class. If it is evident that you cannot make class at 4:30, please consider an alternative course.

Research Paper and Class Presentation

Each student will be responsible for writing a research paper on an assigned topic related to economic development policy and presenting the results of that research to the class utilizing Powerpoint. Papers are due to the instructor no later than Monday, December 10th at 4:00pm. The paper should thoroughly cover the topic. The presentation should be about 12 minutes and should be professional, practiced, and interesting. Ph.D. students will do a data-based paper. Presentations are on December 4th.

Discussion Questions

Each week, on or before the Monday prior to class, each student will email to the instructor, three thoughtful, theoretical, and comprehensive questions or topics for discussion covering the reading assigned for that class period. The questions may refer to readings from prior weeks. If there are no readings for the week, no questions are due.

Grades

The final grade for the course will be weighted as follows:

Research Paper	30%
Class Presentation	10%
Discussion Questions	15%
Class Participation*	20%
Final Exam	25%

*Each student is expected to complete the required reading as scheduled and participate in the seminar discussions. By working together you can help each other.

NOTE: The instructor reserves the right to award additional credit for particularly outstanding papers or presentations. The instructor also reserves the right to cancel the final exam if course goals and objectives have clearly been met.

Handicapped Students

It is important that students with handicaps requiring special accommodations identify themselves to the instructor immediately so that we can seek appropriate arrangements.

