

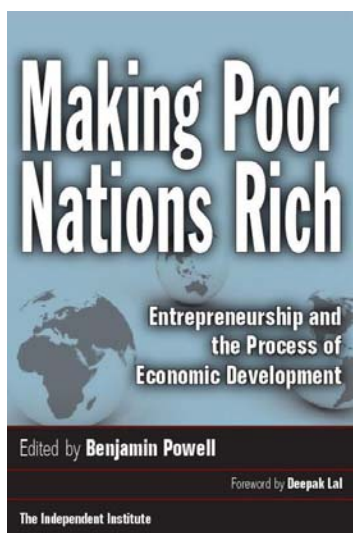
## ***ECON 293/493 -- Making Poor Nations Rich: Entrepreneurship and the Process of Economic Development***

### Instructor Information:

Robert A. Lawson, Ph.D.  
Professor of Economics & George H. Moor Chair  
Capital University  
614-236-6138 (w)  
rlawson@capital.edu  
Office hours: 1:45-2:45 TTh

Course Information: This is a seminar focusing on the contents of a new book, *Making Poor Nations Rich: Entrepreneurship and the Process of Economic Development* (Independent Institute/Stanford University Press: 2007) edited by Benjamin Powell. Five of the contributing authors will visit to present their chapter and lead the seminar that day. Information about the book from Stanford University Press:

Why do some nations become rich while others remain poor? Traditional mainstream economic growth theory has done little to answer this question—during most of the twentieth century the theory focused on models that assumed growth was a simple function of labor, capital, and technology. Through a collection of case studies from Asia and Africa to Latin America and Europe, *Making Poor Nations Rich* argues for examining the critical role entrepreneurs and the institutional environment of private property rights and economic freedom play in economic development.



*Making Poor Nations Rich* begins by explaining how entrepreneurs create economic growth and why some institutional environments encourage more productive entrepreneurship than others. The volume then addresses countries and regions that have failed to develop because of barriers to entrepreneurship. Finally, the authors turn to countries that *have* developed by reforming their institutional environment to protect private property rights and grant greater levels of economic freedom.

The overall lesson from this volume is clear: pro-market reforms are essential to promoting the productive entrepreneurship that leads to economic growth. In countries where this institutional environment is lacking, sustained economic development will remain illusive.

ECON 293 is intended for students interested in the topic who do not need course credit in their degree program(s) and/or who do not want to commit to the research project; the course does not fulfill any major or minor degree requirement(s). ECON 293 counts for 2 credit hours and requires ECON 100 as a prerequisite.

ECON 493 is an economics elective fulfilling requirements in various major and minor degree programs (e.g., economics major, financial economics major, economics-political science major, economics minor). ECON 493 counts for 3 credit hours and requires ECON 200 as a prerequisite.

Structure of the course: The course meets on Mondays at 2:00-5:00. The first two hours will be devoted to the formal seminar presentation and discussion. During weeks in which a guest is present, the final hour will be a social hour held at an off campus venue. During weeks in which no guest is present, ECON 493 students will stay on to discuss their individualized research projects during the third hour, and ECON 293 students will be released early.

ECON 293 Grading: Participation (50%) and a portfolio of reaction papers (50%).

ECON 493 Grading: Participation (30%), a portfolio of reaction papers (30%), and a research project (40%).

Reaction Papers: All students will write a three-page (maximum) reaction paper to each chapter covered in the course. The paper is due at the beginning of the class in which the chapter is to be covered.

ECON 493 Research Project: The research project will be a case study of a country not covered in the book, and may be presented at the undergraduate scholarship symposium in April for 10% extra credit. Details will be provided in class. Research projects are due on April 28.

Attendance Policy: Because of the seminar nature of the class, attendance is *mandatory*! Each student is allowed one unexcused absence; for each additional unexcused absence a letter grade will be deducted from the final grade.

Other Class Policies:

1. Turn off all cell phones (including vibration-mode).
2. As a courtesy to your classmates, make every effort to arrive at class on time. More than 15 minutes late = unexcused absence.
3. The stated schedule and procedures in this course are subject to change in the event of extenuating circumstances.
4. Failure to attend does not constitute official withdrawal from the course and may result in a failing grade. Official withdrawal requires that the student submit a completed "Change of Registration" form to the Registrar by the published deadline.
5. Continued enrollment in this course will indicate that the student has carefully read the syllabus and assumed responsibility for meeting the course requirements.
6. All students are advised to consult the *Undergraduate Student Handbook* for the potential consequences of academic integrity violations.

Course Outline: This is a tentative course outline and is subject to change. A \* indicates that the author will be present.

January 7: “Introduction” by Benjamin Powell. (No reaction paper required.)

January 14: “Big Bills Left on the Sidewalk: Why Some Nations are Rich and Others Poor” by Mancur Olson.

January 21: No Class (MLK Jr. Day)

January 28: “Entrepreneurship and Economic Growth” by Randall Holcombe\*.

February 4: “Economic Freedom and Property Rights: The Institutional Environment of Productive Entrepreneurship” by Robert Lawson\*.

February 11: “Economic Freedom and Growth: The Case of the Celtic Tiger” by Benjamin Powell\*.

February 18: “Look Botswana: No Hands! Why Botswana's Government Should Let the Economy Steer Itself” by Scott Beaulier\*.

February 25: No Class (Mid-semester Break)

March 3: “China's March Toward the Market” by James A. Dorn\*.

March 10: “Entrepreneurship or Entremanship? Digging Through Romania's Institutional Environment for Transitional Lessons” by Peter J. Boettke\*, Christopher Coyne, and Peter Leeson.

March 17: “The Case of Latin America” by Alvaro Vargas Llosa.

March 24: No Class (Easter Break)

March 31: “India: The Elephant in the Age of Liberation” by Parth Shah and Renuka Sane.

April 7: No Class (Association of Private Enterprise Education, Las Vegas)

April 14: “Why Have Kiwis Not Become Tigers? Reforms, Entrepreneurship, and Economic Performance in New Zealand” by Frederic Sautet.

April 21: No Class (Suffolk University Seminar/Boston Marathon)

APPENDIX: Table of Contents for *Making Poor Nations Rich: Entrepreneurship and the Process of Economic Development* by Benjamin Powell (ed.)

Contents

Acknowledgements

Foreword: Deepak Lal

Chap 1: Introduction.....	12
Benjamin Powell	
Chap 2: Big Bills Left on the Sidewalk: Why Some Nations are Rich and Others Poor.....	42
Mancur Olson	
Chap 3: Entrepreneurship and Economic Growth.....	79
Randall Holcombe	
Chap 4: Entrepreneurship: Productive, Unproductive and Destructive.....	111
William Baumol	
Chap 5: Economic Freedom and Property Rights: The Institutional Environment of Productive Entrepreneurship.....	152
Robert Lawson	
 <i>Part 2: Failures in Entrepreneurial Development</i>	
Chap 6: The African Development Conundrum.....	178
George Ayittey	
Chap 7: The Case of Latin America.....	245
Alvaro Vargas Llosa	
Chap 8: Entrepreneurship or Entremanureship? Digging Through Romania's Institutional Environment for Transitional Lessons.....	290
Peter J. Boettke, Christopher Coyne, and Peter Leeson	
Chap 9: Sweden.....	325
Dan Johansson	
 <i>Part 3: Reform and Success in Entrepreneurial Development</i>	
Chap 10: China's March Toward the Market.....	361
James A. Dorn	
Chap 11: India: The Elephant in the Age of Liberation.....	391
Parth Shah and Renuka Sane	
Chap 12: Economic Freedom and Growth: The Case of the Celtic Tiger.....	432
Benjamin Powell	
Chap 13: Why Have Kiwis Not Become Tigers? Reforms, Entrepreneurship, and Economic Performance in New Zealand.....	459
Frederic Sautet	
Chap 14: Look Botswana: No Hands! Why Botswana's Government Should Let the Economy Steer Itself.....	497
Scott Beaulier	
About the Authors.....	538