

Second Writing Assignment
Economics 404W
Spring 2006

Due Tuesday, April 11, 2006

Submit a 2-3 page type-written, double-spaced standard font document in which you:

- (1) Critically assess the business climate in your country, and identify problem areas.¹ Drawing lectures and/or the textbook, discuss possible linkages between this environment and the economic performance of your country in terms of investment rates and growth of the industrial sector. In your discussion, be sure to treat at least four of the following questions:
- Does your country have a reputation for heavy regulation of industry?
 - Does your country have a reputation for heavy taxation?
 - Has your country undergone major industrial policy reforms in the past 20 years? When, and what were they?
 - Does your country devote a lot of resources to infrastructure?
 - How volatile have macro conditions been recently in your country?
 - In view of all of the above, what do firms perceive as the main constraints to doing business?
- (2) Critically assess labor market conditions in your country, and government attempts to improve them. In your discussion, treat at least one of the following sets of questions:
- Is urban unemployment a problem in your country? If so, do you think the Harris-Todaro model provides a good explanation?
 - How rapidly has the labor force been growing in your country? Have changes in the age structure of the population affected this rate of growth? What about government attempts to control population growth?

¹ In addition to the sources cited in homework #2, you may find it helpful to consult:

Kaufman, Daniel, Aart Kraay, and Pablo Zoido-Lobaton (2002). "Governance Matters II," World Bank Policy Research Paper No. 2772. Washington, D.C.: The World Bank.

- (3) Comment on the degree of poverty and income inequality in your country, relative to other countries at comparable levels of per capita income. Drawing on the lectures and/or textbook, discuss the possible effects of the poverty and inequality you document on the performance of your economy

Think of this document as three of the middle sections in a longer country report. You may assume that the reader is already familiar with the material you covered in your previous essay, and you need not provide much introduction. However, you will probably find it helpful to bring some of the observations from your first essay into your analysis.

A below-average essay will simply march out a disjointed list of facts. An above-average essay will use all facts introduced to tell a coherent economic story about the country of interest, and will draw on lectures and readings to do so. Don't forget to cite your sources properly and include a list of references.

I will evaluate this writing assignment using the following analytic grid, so you may wish to think about each category as you compose your essay.²

	Excellent	Strong	OK	Weak
Economic Content: ideas, thinking, understanding, depth of analysis				
Rigor: cause-effect connections, support for claims				
Organization: structure, coherence, focus, guiding the reader				
Language: sentences, wording, voice, tone, clarity				
Mechanics: spelling, grammar, punctuation, proofing, documentation				
Overall (This is not a sum of the other responses)				

² This grid is based on:

Elbow, Peter (1993). "Ranking, Evaluating and Liking: Sorting Out Three Forms of Judgment," *College English* 55(2), 195.