

Do not write your name on the assignment. Write your name only on the back of this sheet of paper and staple your answers on the front of this sheet of paper. Failure to follow these directions will cost you 1 point on the assignment.

The revised syllabus has us temporarily having assignments on Wednesdays until break. Then we shift back to Mondays. It also has us dropping a country. Since Economics 260 covers developing countries, it should be one of them. Given that there will be presentations on India and Latin America, I have chosen to eliminate China.

- 1) (20 points) In what ways are the former East Germans better off than before and what ways are they worse off?
- 2) (20 points) Co-determination has both good and bad aspects. What is it and what is good about it?
- 3) (20 points) What explains why the unemployment rates are so high in the former West Germany? How does that cause high unemployment rates?
- 4) (20 points) Germany's banks are listed as one of the greatest assets of Germany. Given the close relationship between the banks and the companies, how can they avoid the problems of the Japanese banks?
- 5) (20 points) What is the *Mittelstand* and how has it helped Germany?