Econ 4784 – Development Economics

Course & Instructor Information

Course Meets 08/27/2002 - 12/12/2002
Tue, Thurs: 11:00 am – 12:15 am, Room: Econ 119
No Class: Thurs, Oct 10 (Fall Break) and Thurs, Nov 28 (Thanksgiving)

Instructor: A. Mushfiq Mobarak, Assistant Professor, Department of Economics
Office: Economics Building (256 UCB) – Room 4D
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Email: mobarak@spot.colorado.edu (preferred method of contact)
Office Hours: Tue, Thurs 3:30pm-4:30pm

Text


The exams and quizzes will be based on the class lectures. Sometimes the lectures will go beyond what is covered in the text, but the lectures frequently will not cover everything that is in the textbook. Attending class and taking good notes is therefore very important.

Course Objectives & Description

This course will introduce you to the field of development economics. Development economics is a vast field, and the content of an undergraduate course is apt to vary from one instructor to another. We will begin by exploring the concept of development, and go through various components of development that economists typically study, including economic growth, income inequality, poverty, sustainable development and the growth-environment nexus, education, health and nutrition. In the second part of the course, we will look at the characteristics of land, labor and credit markets in rural areas of developing countries. Rural areas of developing countries is where the majority of the world’s poor (and the poorest of the poor) live, and no course in development would be complete without studying the market institutions prevalent in these areas.

Expectations

As with many other courses in economics, this course will be slightly technical in nature. I will expect you to have a solid background in algebra and basic statistical concepts. Since there is a paper requirement (and since you will have to answer essay-type questions in exams and homeworks), I will also expect you to write coherent and grammatically correct English. If you are uncomfortable about your background in algebra, basic statistics, or about your English writing skills, please do some reviewing or seek some external help now. I will review some basic statistics in the first few lectures.
Grading

There will be a quiz and a final exam, a paper (approximately 8-10 pages), and two homework assignments. The following weights will be used to compute your final grade:

- Paper: 20%
- Final Exam: 35%
- Quiz: 20%
- Homeworks (10% each): 20%
- Class Participation: 5%

The paper will require you to do some library research. Detailed guidelines will be handed out later. The homeworks, quiz and final exam will be a mix of problems and essay-type questions. You can help your class participation grade by attending class and by contributing to the discussion in class (e.g. by attempting to answer questions I ask during lectures). I will sometimes pass around a sign up sheet to take note of attendance.

Policies

There is absolutely no make-up for either the final exam or the quiz unless there is a proven emergency that prevents you from attending class on the scheduled exam or quiz date. You are required to submit proof of the emergency. If you miss the exam or quiz for any reason that does not qualify as a proven emergency, you get a zero. Homeworks and the paper are due at 9:30 am (beginning of class) on the respective due dates. For every day that either the homeworks or the paper is late, your grade will be discounted by 25 percentage points (but you are guaranteed a minimum grade of zero). For example, if you turn in your paper at 11:00 am on the due date, and your paper gets a 90/100, it will be recorded as a 65/100. If you turn it in at 11:00 am the next day, it will be recorded as a 40/100. You can work with your classmates on homework assignments, but each person has to turn in separate work, and you are not allowed to copy someone else’s work. If you work with someone else, write down the name of the person at the top of the first page and indicate that you have worked with that person.

If you come late to class or miss class altogether, your class participation grade will suffer. I will take note of attendance at the beginning of class on the days that the homeworks and paper are due. Therefore, it won’t pay for you to miss class (or come to class late) just so that you can finish up your homework. The class participation grade depends not only on regular attendance throughout the semester, but also on your active participation in class discussions. My reading of how much effort you are putting in to the course will also factor in, and so turning in assignments on time is advisable.

University Policies

We will make academic accomodations for persons with various disabilities. For more information, see the web page of the Office of Disability Services, www.colorado.edu/sacs/disabilityservices

We will make reasonable accomodations for students who have conflicts between religious observance dates and course examinations or assignments. Please talk to me at the beginning of the semester, if you think you may require such accomodation. For
university policies on this and on other things, see www.colorado.edu/policies/index.html. For university policies on cheating and plagiarism, and the university honor code, see www.colorado.edu/academics/honorcode/

Schedule

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<tr>
<th>Dates</th>
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| Aug 27        | • Introduction to Course Topics, Requirements and Policies  
                 • Introduction to Economic Development – Definitions, Components of Development.                                                                                                               | Chap 1,2                         |
| Aug 29, Sept 3, 5 | • Introduction to Development (continued)  
                 • Review of Statistical Methods: How to Read Empirical Results in Economics                                                                                                                        | Appendix 2 (end of book)        |
| Sept 10, 12, 17, 19, 24 | • Economic Growth and Growth Volatility  
                 - Measurement and Definitions  
                 - Models of Growth and Development  
                 - Empirically Explaining the Growth Experience of Developing Countries                                                                                                                                  | Chap 3,4                         |
|           | Homework 1: Assigned Sept 19, Due Sept 26                                                                                                                                                           |                                 |
| Sept 26, Oct 1, 3, 8 | • Income Inequality  
                 - Definitions, Measurement, Empirical Regularities  
                 - Relationship to Growth and Poverty                                                                                                                                                        | Chap 6,7                         |
| Oct 15, 17, 24, 29, 31 | • Human Development and Poverty  
                 - Health, Nutrition, Education, Human Capital  
                 - Measurements of Poverty and the Human Development Index  
                 • Discuss Homework Answers  
                 Paper: Assigned Nov 5, Due Nov 19                                                                                                                                                    | Chap 8                           |
| Nov 5, 7, 12  | • Sustainable Development  
                 - Concepts of Sustainability  
                 - Externalities and other Market Failures  
                 - Theoretical and Empirical Relationships between Economic Growth and Environmental Quality  
                 • Discuss Quiz Answers  
                 • Introduction to Agricultural Markets in Developing Countries and the Role of Agriculture in Development                                                                 | Chap 11                         |
| Nov 14       |                                                                                                                                                                                                       |                                 |
| Nov 19, 21   | • Rural Land and Labor Markets                                                                                                                                                                      | Chap 12,13                      |
| Nov 26       | Quiz: Nov 26                                                                                                                                                                                          |                                 |
| Dec 3, 5     | • Rural Credit Markets  
                 - Formal and Informal Credit, Microfinance  
                 - Moral Hazard and Adverse Selection                                                                                                                                                         | Chap 14                         |
|           | Homework 2: Assigned Dec 3, Due Dec 10                                                                                                                                                              |                                 |
| Dec 10       | Go over Homework 2 Answers and Review for Final Exam                                                                                                                                                 |                                 |
| Dec 12       | Final Exam                                                                                                                                                                                             |                                 |