

Econ 325a – Economics of Developing Countries

Course & Instructor Information

Course Meets 09/06/2006 - 12/06/2006

Mon, Wed: 11:30 am – 12:45 pm,

Room: WLH 120 (William Harkness hall, corner of Wall and College)

No Class: MW, Nov 20,22 (Fall Recess)

Course Website: www.colorado.edu/Economics/courses/mobarak

Pre-requisites:

- Proficiency in mathematical and economic analysis at the level of Intermediate Microeconomic Theory.

- A good background in statistics and algebra.

Instructor: A. Mushfiq Mobarak, Visiting Assistant Professor of Economics

Office: 27 Hillhouse Avenue, Room 32

Phone: 203-432-3636 (off)

Email: mobarak@spot.colorado.edu (preferred method of contact)

Office Hours: Mon 10:30 am – 11:15 am; Thurs 2:30-3:15 pm

TA: Achyuta.Adhvaryu@yale.edu, 27 Hillhouse, Room B04, extension 2-8303

Text

Debraj Ray, *Development Economics*, Princeton University Press, 1998.

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. The majority of the world's poor (and the poorest of the poor) live in rural areas of developing countries, 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 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.

Grading

There will be two exams, three homework assignments, and some in-class exercises. The following weights will be used to compute your final grade:

Exam 1	25%
Exam 2 (<u>December 18, 2pm</u>)	30%
Homeworks (8.33% each)	25%
In-Class Problem Solving	10%
Class Participation	10%

The homeworks and exams 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. I will review before exams, but do not view this as a substitute to attending lectures. For the “in-class problem solving”, you will break up into groups to solve problems I assign based on our discussions in class.

Policies

There is absolutely no make-up for either exam unless there is a proven emergency that prevents you from attending class on the scheduled exam date. You are required to submit proof of the emergency. If you miss the exam for any reason that does not qualify as a proven emergency, you get a zero. Homeworks are due at the beginning of class on the respective due dates. For every day that an assignment 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 1pm 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 12:01 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. No plagiarism allowed. If you come late to class or miss class altogether, your class participation grade will suffer. 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.

Schedule of Topics

Dates	Topics	Ray Text
Sept 6, 11	<ul style="list-style-type: none"> • Introduction to Course Topics, Requirements and Policies • Introduction to Economic Development – Definitions, Components of Development. 	Chap 1,2
Sept 13, 18	<ul style="list-style-type: none"> • Introduction to Development (continued) • Review of Statistical Methods: How to Read Empirical Results in Economics 	Appendix 2 (end of book)
Sept 20, 25, 27, Oct 2, 4	<ul style="list-style-type: none"> • Economic Growth and Growth Volatility <ul style="list-style-type: none"> - Measurement and Definitions - Models of Growth and Development - Empirically Explaining the Growth Experience of Developing Countries 	Chap 3,4
	Homework 1: Assigned Oct 9, Due Oct 16	
Oct 9, 11, 16	<ul style="list-style-type: none"> • Income Inequality <ul style="list-style-type: none"> - Definitions, Measurement, Empirical Regularities - Relationship to Growth and Poverty • Discuss Homework Answers 	Chap 6,7
Oct 18, 23	<ul style="list-style-type: none"> • Human Development and Poverty <ul style="list-style-type: none"> - Health, Nutrition, Education, Human Capital - Measurements of Poverty and the Human Development Index 	Chap 8
Oct 25	Exam Review	
Oct 30	Exam 1: Oct 30	
Nov 1, 6, 8, 13	<ul style="list-style-type: none"> • Sustainable Development <ul style="list-style-type: none"> - Externalities and other Market Failures - Theoretical and Empirical Relationships between Economic Growth and Environmental Quality - Larry Summers Memo 	
	Homework 2: Assigned Nov 6, Due Nov 13	
Nov 15	<ul style="list-style-type: none"> • Introduction to Agricultural Markets in Developing Countries and the Role of Agriculture in Development 	Chap 11
Nov 27, 29	<ul style="list-style-type: none"> • Rural Land and Labor Markets • Forms of Contract Between Landowners and Farmers 	Chap 12,13
	Homework 3: Assigned Nov 27, Due Dec 4	
Dec 4	<ul style="list-style-type: none"> • Rural Credit Markets <ul style="list-style-type: none"> - Formal and Informal Credit, Microfinance - Moral Hazard and Adverse Selection 	Chap 14
Dec 6	<ul style="list-style-type: none"> • Corruption 	Chap 16
Dec 6	Exam Review	
Dec 18	Exam 2: Dec 18, 2pm	