

Econ 4784 – Development Economics

Course Information

Course Meets 08/24/2004 - 12/09/2004

Tue, Thurs 11:00am – 12:15pm, Room: Econ 119

No Class: Thurs, Sept 30 (fall break) & Thurs, Nov 25 (Thanksgiving)

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

Prerequisites: Econ 1000 (Intro to Econ) or Econ 2010 and 2020 (Principles of Micro Principles of Macro).

Doing well in this course requires proficiency in mathematical and economic analysis at the level of Intermediate Microeconomic Theory (Econ 3070). It is absolutely essential that you have good algebra skills and mathematical intuition.

For Drop/Add Deadlines, see the course schedule.

Instructor Information

Professor: A. Mushfiq Mobarak, Assistant Professor, Department of Economics

Office: Economics Building, Room 14B

Phone: 303-492-8872 (office)

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

Office Hours: Tue 2:15 pm – 3:15 pm; Thurs 1:30-2:30 pm

Text

Highly Recommended: 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. Students in the past have mentioned that the text can be a very helpful resource for certain sections of the course, especially if you have trouble understanding some class lectures.

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 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. I will review some basic statistics in the first few lectures.

Grading

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

Exam 1	30%
Exam 2	30%
Homeworks (10% each)	20%
In-Class Problem Solving	10%
Class Participation	10%

The homeworks and exams will be a mix of problems and short-answer 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.

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 11:00 am (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 noon 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.

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

Students with disabilities who qualify for academic accommodations must provide a letter from Disability Services (DS) and discuss specific needs with the professor, preferably during the first two weeks of class. DS determines accommodations based on documented disabilities (303-492-8671, Willard 322,

www.colorado.edu/sacs/disabilityservices

We will make reasonable accommodations 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 accommodation. For university policies on this and on other things such as classroom behavior, see

www.colorado.edu/policies/index.html.

For the university honor code, see www.colorado.edu/academics/honorcode/

Plagiarism is not allowed. This means that you cannot copy anyone else's work and pass it off as your own. For homeworks, you can consult with your classmates, but do not copy from them. Each person must turn in assignments that are the fruit of his/her own sincere efforts.

Schedule of Topics

Dates	Topics	Ray Text
Aug 24	<ul style="list-style-type: none"> • Introduction to Course Topics, Requirements and Policies • Introduction to Economic Development – Definitions, Components of Development. 	Chap 1,2
Aug 27, 31 Sep 2	<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)
Sep 7, 9, 14, 16	<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 Sep 16, Due Sep 28	
Sep 21, 23, 28 Oct 5	<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 5, 7, 12, 14	<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 19	Part of class: Exam Review	
Oct 21	Exam 1: Oct 26: Exam covers all material up to this point	
Oct 26, 28 Nov 2, 4, 9	<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 	
Nov 11	<ul style="list-style-type: none"> • Introduction to Agricultural Markets in Developing Countries and the Role of Agriculture in Development 	Chap 11
Nov 11, 16, 18	<ul style="list-style-type: none"> • Rural Land and Labor Markets • Forms of Contract Between Landowners and Farmers 	Chap 12,13
	Homework 2: Assigned Nov 16, Due Nov 23	
Nov 23, 30	<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
Nov 30	Exam Review	
	Exam 2: Dec 2 Exam is cumulative: covers all material starting from 1st day of class up to this point	
Dec 9, 11	<ul style="list-style-type: none"> • Corruption and Development • Trust, Social Capital and Cooperation • In-Class Problem Solving Exercises • Attendance will be taken 	