

Economics 3784 Economic Development
Fall 2009
Tue, Thurs 9:30-10:45 Education 155

Instructor Information

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Office Hours: 11:00-12:00 Tuesday and Thursday, and by appointment

Texts

Gerald M. Meier and James E. Rauch, Leading Issues in Economics Development, Oxford University Press, 2005
William Easterly, The Elusive Quest for Growth, MIT Press, 2002
Barry Eichengreen, Financial Crises, Oxford University Press, 2002
Deepak Lal, Reviving the Invisible Hand, Princeton University Press

Course Objectives

The course will introduce students to the major issues in economic development. Students will use the tools of economic analysis to explore these issues. The objective is to not only describe the major problems encountered in developing countries, but also to explain these outcomes using the tools of economic analysis. Students will be expected to explore the policy implications of their analysis. Emphasis will be placed on the controversial issues in this literature, requiring students to understand competing and often conflicting perspectives on these issues. Through written term papers, class participation, and examinations students are expected to develop their skills in written and oral expression, as well as their understanding of economics.

Course Schedule

Topic I. Economic Growth and Development; Income Distribution and Poverty; and Political Economy

Dates	Topics	Assignments	Assignments
		Meir and Rauch	Other
Aug 25	Measuring Development	I Overview IA IB	Easterly I-1 Lal Introduction and 1-2

Aug 27	Historical Perspectives on Economic Growth and Development	II	Easterly II-2
Sept 1	The Discipline of Development Economics	IC	Easterly II-3
Sept 3	The Impact of Economic Development on Income Distribution and Poverty	VIII Overview VIII A	Lal 5
Sept 8	The Impact of Income Distribution and Poverty on Economic Development	VIII B-C	
Sept 10	Political Economy	IX Overview IX A-C	Easterly III 11-12 Lal 6
Sept 15	Institutional Reform		Easterly III 13-14 Lal 7
Sept 17	Term Paper Due on Topic I		

Topic II. Population, Urbanization, Education, Health and Nutrition, Gender

Dates	Topics	Assignments	Assignments
		Meir and Rauch	Other
Sept 17	Population	IV Overview IV C	Easterly II-5
Sept 22	Urbanization	VI A VI B	
Sept 24	Education	IV A	Easterly II 4
Sept 29	Health and Nutrition	IV B	
Oct 1	Gender	IV D	
Oct 6	Term Papers and Roundtable Discussion on Topic II		
Oct 8	Midterm Examination on Topic II		

Topic III. Agriculture, the Environment, International Trade, and Technological Change

Dates	Topics	Assignments Meir and Rauch	Assignments Other
Oct 13	Agriculture and Development	VII Overview VIIA	
Oct 15	Microeconomics of the Rural Sector	VII B V 5	
Oct 20	The Environment	X Overview	Lal 8
Oct 22	Sustainable Development	X1-5	
Oct 27	International Trade	III Overview III A	Lal 3
Oct 29	Technological Change	IIIB	Easterly III 8-9
Nov 3	Term Papers Roundtable Discussion on Topic III		
Nov 5	Midterm Examination on Topic III		

Topic IV. Investment and Finance, Globalization and International Finance, Financial Crises, Stabilization Policy, and the International Financial Architecture

Dates	Topics	Assignments Meir and Rauch	Assignments Other
Nov 10	Investment and Finance	V Overview V 1-2	Lal 4
Nov 12	Globalization and International Finance	V 3-4	Easterly II 6-7,10
Nov 17	Financial Crises		Eichengreen Ch. 1

Nov 19	Stabilization Policy		Eichengreen Ch. 2-3
Dec 1	The International Financial Architecture		Eichengreen Ch. 4-6
Dec 3	Term Papers and Roundtable Discussion on Topic IV		
Dec 8	Midterm Examination on Topic IV		
Dec 10	Makeup Examinations		

Course Requirements

Attendance

Class attendance and participation are an important part of the course. Lectures and class discussions will focus on the controversial aspects of the development literature. One class period is set aside for a roundtable discussion of each of the topics explored in Parts II-IV of the course.

Students are required to attend class and attendance will be taken, please be sure to sign the attendance sheet in each class. Students can miss one class in each of the four segments of the course identified above. If more than one class is missed in a particular segment this will lower the grade for that segment and the final grade.

No exceptions will be made for this attendance or other course requirements. If you have any questions regarding course requirements please see me during the first week of the course.

Term Papers

Students will write two term papers. In writing these term papers students should follow the format in standard style manuals. Most importantly, the term papers should be properly documented, including a bibliography, and footnotes or end notes. Papers without proper documentation will not be accepted. Each term paper should be about 10-15 pages in length.

In writing the term papers you will find the required texts a good starting point in finding source materials. You should then incorporate other bibliographic sources. In writing

these term papers you are welcome to use any source materials that you find relevant. You will find an extensive literature on economic growth and development in different regions and countries on the internet, and you are encouraged to make full use of these resources. The following sites are a good place to start to put together this source materials:

The World Bank
The International Monetary Fund

Term Paper I

For Term Paper I students should choose a developing country and provide an overview of economic growth and development in that country. In writing this term paper students should discuss the following specific issues explored in part I of the course as they relate to that country. The grade for this term paper is based only on the written paper. The first term paper is due on September 17.

1. How is economic growth and development measured and how does this country compare to other developing countries? Is the country an underachiever or an overachiever? How have economists used growth theory to explain this country's economic growth and development?
2. How is income distribution and poverty measured, and how does this country compare to other countries with regard to these measures? Has there been a trend toward greater equality? Has the country made progress in reducing poverty? What is the relationship between economic growth and income distribution and poverty in this country?
3. How is pluralism achieved in developing societies, and how does this country compare to other developing countries in the pluralism of its political and economic institutions? What has been the relationship between political reform and economic growth and development in this country?

Term Paper II

For the second term paper students should explore one of the specific issues in Topics II-IV with reference to the country they have chosen. For example term papers might be:
Health and Nutrition in the Sudan
International Trade in China
Financial Crises and Reform in Argentina
Etc.

The term paper should explore a specific issue in depth, including theoretical, empirical and policy issues. Students will be expected to participate in a roundtable discussion on that issue. The grade for this term paper is based on participation in the roundtable discussion, as well as the written paper. The due dates for this second term paper are identified under each topic on the course syllabus.

Midterm Examinations

Students will write three midterm examinations. These midterm examinations will cover the issues listed under topics II-IV on the syllabus. The midterm examinations will be based on target questions distributed in class. Students should plan to use ideas from lectures and class discussion, as well as text materials in answering these questions.

If students have an excused absence from a midterm examination they can take a makeup examination to be offered the last day of class as shown on the schedule. No other makeup examination will be scheduled. If students do not have an excused absence and miss a midterm examination they will receive a failing grade for that midterm exam. Students who miss more than one midterm examination will receive a failing grade for the course.

Grading

Students will receive five grades. Two grades will be based on the two required term papers. Three grades will be based on the midterm examinations. Each of these five grades is equally weighted in the final grade. If students have any questions regarding the course requirements or grading they should meet with me at the beginning of the course, not at the end of the course.

All university policies apply in this course relating to disabilities, religious observance, honor code, etc.. If you have any questions regarding these university policies see www.colorado.edu/policies/index.html.