

## Econ 4784 – Development Economics

### Course & Instructor Information

Course Meets 01/17/2007 - 05/04/2007

Mon, Wed, Fri: Noon – 12:50 pm, Room: Econ 119

No Class: MWF, Mar 26-30 (Spring Break)

Course Website: [www.colorado.edu/Economics/courses/mobarak](http://www.colorado.edu/Economics/courses/mobarak)

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

You need a good statistics and algebra background. 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: A. Mushfiq Mobarak, Assistant Professor, Department of Economics

Office: Economics Building (256 UCB) – Room 14B

Phone: 303-492-8872 (off)

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

Office Hours: Mon 10:30am-11:30am, Wed 10:15am-11.15am

### 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.

### 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 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 two exams, two homework assignments, and an in-class exercise. The following weights will be used to compute your final grade:

Exam 1	25%
Exam 2	30%
Homeworks (12.5% 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 10:00 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 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 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](http://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](http://www.colorado.edu/policies/index.html).

For the university honor code, see [www.colorado.edu/academics/honorcode/](http://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**

<b>Dates</b>	<b>Topics</b>	<b>Ray Text</b>
2 lectures	<ul style="list-style-type: none"> <li>• Introduction to Course Topics, Requirements and Policies</li> <li>• Introduction to Economic Development – Definitions, Components of Development.</li> </ul>	Chap 1,2
5 lectures	<ul style="list-style-type: none"> <li>• Economic Growth and Growth Volatility <ul style="list-style-type: none"> <li>- Measurement and Definitions</li> <li>- Models of Growth and Development</li> </ul> </li> </ul>	Chap 3,4
4 lectures	<ul style="list-style-type: none"> <li>• Review of Statistical Methods: How to Read Empirical Results in Economics</li> <li>• Empirically Explaining the Growth Experience of Developing Countries</li> </ul>	Appendix 2 (end of book)
	<b>Homework 1: Assigned Feb 9, Due Feb 23</b>	
4 lectures	<ul style="list-style-type: none"> <li>• Income Inequality <ul style="list-style-type: none"> <li>- Definitions, Measurement, Empirical Regularities</li> <li>- Relationship to Growth and Poverty</li> </ul> </li> <li>• Discuss Homework Answers</li> </ul>	Chap 6,7
4 lectures	<ul style="list-style-type: none"> <li>• Human Development and Poverty <ul style="list-style-type: none"> <li>- Health, Nutrition, Education, Human Capital</li> <li>- Measurements of Poverty and the Human Development Index</li> </ul> </li> </ul>	Chap 8
	Exam Review: Mar 2	
	<b>Exam 1: Mar 5</b>	
6 lectures	<ul style="list-style-type: none"> <li>• Sustainable Development <ul style="list-style-type: none"> <li>- Externalities and other Market Failures</li> <li>- Theoretical and Empirical Relationships between Economic Growth and Environmental Quality</li> <li>- Larry Summers Memo</li> </ul> </li> </ul>	
2 lectures	<ul style="list-style-type: none"> <li>• Introduction to Agricultural Markets in Developing Countries and the Role of Agriculture in Development</li> </ul>	Chap 11
5 lectures	<ul style="list-style-type: none"> <li>• Rural Land and Labor Markets</li> <li>• Forms of Contract Between Landowners and Farmers</li> </ul>	Chap 12,13
	<b>Homework 2: Assigned Apr 6, Due Apr 16</b>	
4 lectures	<ul style="list-style-type: none"> <li>• Rural Credit Markets <ul style="list-style-type: none"> <li>- Formal and Informal Credit, Microfinance</li> <li>- Moral Hazard and Adverse Selection</li> </ul> </li> </ul>	Chap 14
1 lecture	<ul style="list-style-type: none"> <li>• Corruption</li> <li>• International Trade and Political Economy</li> </ul>	Chap 16
	Exam Review: Apr 25	
	<b>Exam 2: Apr 27</b>	
3 lectures	<ul style="list-style-type: none"> <li>• Corruption</li> <li>• <b>In-Class Problem Solving</b></li> <li>• Attendance will be taken</li> </ul>	