

Economic Development and policy
ECON 3784-002
SPRING 2009
Professor Akacem
Monday 5:00-7:30 p.m.
HUMN 135
Office: Econ 216
Office hours: Monday 3:00 to 4:50 p.m. or by appointment

The course will have a home in [CuLearn](http://Culearn.colorado.edu) and can be accessed at:
<http://Culearn.colorado.edu>
 updated for the final exam location only 4/20/09

Books:

Michael P. Todaro and Stephen C. Smith Economic Development, Tenth Edition, 2009
Addison Wesley

William Easterly. The Elusive Quest for Growth. MIT Press, 2001, paper back edition.

Purpose of the Course:

The purpose of the course is to acquaint the student with the major issues in development economics and policies. By the end of the course the student should be acquainted with most of the major issues in economic development policy and what both developing countries and international institutions are doing to confront the major constraints facing poor countries.

Grading Policy

There will be several factors used to determine your final grade. Grades will be earned on the following basis:

Exams: 2 mid-terms and one final exam. The weights are 20, 30% for the first two (with the highest weight used for the highest mid-term) and 40% for the final exam. We will have short presentations by groups on a given topic in economic development policy. The presentation will be worth 10%. The final exam will be comprehensive. However, it will NOT cover everything done in class since the first week. Around week 14, you will be informed as to what will be covered in the final. **Remember that there are NO MAKE UP's for missed exams. Travel plans, wedding, etc.. will not do. Only a documented medical excuse for the specific day of the exam may be considered.**

Grade 100% scale

A	93.4-100
A-	90.0-93.3
B+	86.7-89.9
B	83.4-86.6
B-	80.0-83.3
C+	76.7-79.9
C	73.4-76.6
C-	70.0-73.3
D+	66.7-69.9
D	63.4-66.6
D-	60.0-63.3
F	less than 60

Your final grade will be according to the percentage of total points that you earn based on the above apportionment. For instance, if you earn 83.3 points of the total available points then your grade will be a B-.

Schedule of Readings and Topics:

Tentative Schedule. The class meets once a week for two and half hours. The outline below is tentative and may change somewhat depending on the pace of the class, case studies, guest lectures etc.. Please consult the calendar within CuLearn for updates and stay informed through the class home page.

T=Todaro

WE = Easterly

FD=Finance and Development

Week One: Introduction**Todaro: Chapter 1**

WE, Prologue, "Why Growth Matter," "Intermezzo: In Search of a River," pp. 1-19

"The Great Divide in the Global Village," by Bruce Scott posted on [CuLearn](#)

"The Cartel of Good Intentions," by William Easterly, pp. 63-70

Week 2: may continue from week one**Todora: Chapter 2:**

WE, "panacea that failed," pp. 21-45;

Week Three:**Todaro: Chapter 3:**

WE, “Solow’s Surprise,” pp. 47-70.

“Trading for Development: The Poor’s Best Hope,” Jagdish Bagwati, pp. 34-37.
The Economist, June 22, 2002 through library access or CuLearn

Part II: Problems and Policies: Domestic**Week Four:****Todaro: Chapter 5 : Poverty, Inequality and Economic Development****Micro Finance and the Poor, in Finance and Development, found at:**

<http://www.imf.org/external/pubs/ft/fandd/2007/06/basics.htm>

Global War on Poverty, in Finance and Development, found at:

<http://www.imf.org/external/pubs/ft/fandd/2003/12/pdf/basics.pdf>

Root Causes, in Finance and Development, found at:

<http://www.imf.org/external/pubs/ft/fandd/2003/06/pdf/acemoglu.pdf>

Exam 1: Monday February 16th, 2009. We will not take the whole class session for the exam. Lecture will continue on that day. The exam will cover all the material covered in class and any additional assignments. The exams will take place on average every 4 to 5 weeks even though we may be done with the material before each one of them.

Week Five:**Todaro: Chapter 6: Population and economic development**

WE, “Cash for Condoms”, pp: 87 to 99

WE, “Education for What,” pp. 71-85.

WE, “Tales of Increasing Returns,” pp. 143-170.

Week Six:**Todaro: Chapter 8: Human Capital and Education**

WE, “Creative Destruction: The Power of Technology,” pp. 171- 193

Week Seven:**Todorao: Chapter 9: Agriculture**

WE, “Under and Evil Star,” pp. 195-215; “Governments Can Kill Growth,” pp. 217-240

Week Eight:

Todaro: Chapter 10: The Environment and Development

WE, “Under and Evil Star,” pp. 195-215; “Governments Can Kill Growth,” pp. 217-240 (valid for both chapters 9 and 10)

Week Nine:

Todaro: Chapter 11: Development Policy and Role of Markets
Readings by Dani Rodrick, see CuLearn

Week Ten:

Todaro: Chapter 12: Trade Policy Debate

Week Eleven:

Todaro: Chapter 13: International Debt, capital flows, International Currency crises

WE, “The Loans That Were, the Growth that Wasn’t,” pp. 101- 122; “Forgive Us Our Debts,” pp. 123-139.

<http://www.imf.org/external/pubs/ft/fandd/1999/06/sharma.htm>

Case study: The Asian crisis, viewed in class

Exam 2: March 30th, 2009

Week 12:

Todaro: Chapter 14, Foreign Finance and Aid

WE, Chapter 2, Aid for Investment (repeat), pp: 25-45

Week 13:

Todora: Chapter 15: Financial Markets and Development
Readings from Finance and Development

Week 14:

**Todaro: Chapter 15: Currency markets, exchange rates
Lecture**

Special issues of Finance and Development will be linked through CULearn

Week 15: chapter 16

Globalization

The IMF on Globalization found at:

<http://www.imf.org/external/np/tr/2004/tr040922a.htm>

Readings from Finance and Development

Week 16: Finish Review and discussion of key policy issues in Development, case studies

Disabilities: Any student with a documented disability (e.g., mobility, learning, psychological, vision, hearing, etc.) who needs to arrange accommodations must contact both the instructor and Disability Services at the beginning of the term.

Comprehensive Final Exam Monday May 4TH, 2009

7:30 p.m. to 10:00 p.m.

***Please note the change in location for the final!**

DUAN G1B30 (rather than HUMN 135)

The final exam date will not be changed so please make a note of it. There are no make up exams.