

Economic Development and policy
 ECON 3784-001
 Spring 2011
 Professor Akacem
 Monday 5:00:7:30 p.m.
 ECON 117
 Office: Econ 216-A
 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>

Please Note: Leave your laptops at home. I generally do not encourage their use in class. If you have a documented need for them, please do see me. Otherwise, the evidence shows that these are used for things that have nothing to do with class and they distract others. The same goes for **cell phones and texting. There will be zero tolerance for their use.**

Email: Please email me at: akacem@colorado.edu if you need to reach me. Generally speaking, it is much easier to come to my office and or right after or before class if times allows. Avoid messages such as “I missed class, what did I miss”. If you do miss, make sure and get the notes from another student. When sending an email message, please do include a subject such as our class, question etc... Messages without anything on the subject line will not be answered. We get too much spam so please help by simply adding something on the subject line.

Required Books:

Michael P. Todaro and Stephen C. Smith Economic Development, Ninth Edition, 2005, Addison Wesley

You are welcome to buy the latest edition if you wish. The bookstore has been asked to buy the 9th edition.

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

Glossary: posted on CULearn. Pls consult and review these. They will be assigned for one or more of the exams. You will be notified prior to each exam as to how much to study.

Optional:

William Easterly. The White's Man Burden, Why the West's efforts to aid the rest have done so much ill and so little good, Penguin Books, 2006.

Back to basics series: posted on CULearn under learning modules.

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.

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 and case studies shown. The material covered in class may be more than what your outline shows and additional readings will be assigned during the semester.

T=Todaro

WE = Easterly

FD=Finance and Development

Monday January 10th: Week One: Introduction

Todaro: Chapter 1

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

On Reserve:

Chapter one “ Planners versus Searchers” from William Easterly. *The White’s Man Burden, Why the West’s efforts to aid the rest have done so much ill and so little good*, Penguin Books, 2006.

Monday January 17th: Week 2:

No class but students are expected to read the assigned readings below. We cannot afford to lose a whole week, so make sure you cover the material.

Todora: Chapter 2:

WE, “panacea that failed,” pp. 21-45

View Episode Two: **The Agony of Reforms**, from The Commanding Heights series on video reserve at Norlin.

Monday January 24th: Week Three:

Todaro: Chapter 3:

WE, “Solow’s Surprise,” pp. 47-70.

“Trading for Development: The Poor’s Best Hope,” Jagdish Bagwati, Council on Foreign Relations <http://www.cfr.org/publication.html?id=4631>

Part II: Problems and Policies: Domestic

Monday January 31st: Week Four:

Todaro: Chapter 5 : Poverty, Inequality and Economic Development

Inequality: Now you see it, now you don’t from back to basics series:
<http://www.imf.org/external/pubs/ft/fandd/2003/09/pdf/basics.pdf>

Micro Finance and the Poor from back to basics series:
<http://www.imf.org/external/pubs/ft/fandd/2007/06/basics.htm>

Global War on Poverty from back to basics series:
<http://www.imf.org/external/pubs/ft/fandd/2003/12/pdf/basics.pdf>

Monday February 7th: Week Five:

Exam 1: All of the material assigned/covered from Week 1 to Week 4. In addition, terms in the glossary on blackboard under learning modules from page 1 to page 6 ending with fascism. Pls note: there are NO make up for missed exams.

We will **NOT** take the whole class session for the exam. Lectures will continue on that day. We will first start the readings below and then take the exam. The material below is **NOT** assigned for exam 1.

Todaro: Chapter 6: Population and economic development

WE, “Cash for Condoms”, pp: 87 to 99

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

Investing in the youth bulge

<http://www.imf.org/external/pubs/ft/fandd/2006/09/jimenez.htm>

Global demographic trends

<http://www.imf.org/external/pubs/ft/fandd/2006/09/picture.htm>

India Tries Using Cash Bonuses to Slow Birthrates

<http://www.nytimes.com/2010/08/22/world/asia/22india.html?ref=world&pagewanted=print>

Optional reading:

From Back to Basics "Demographic Dividends", found in Blackboard under the Back to Basics folder

Monday February 14th: Week Six: We may finish the material from week Five this week since part of the time was taken by exam 1.

Todaro: Chapter 8: Human Capital and Education

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

WE, "Education for What," pp. 71-85.

Why Quality Matters in Education by Eric A. Hanushek in Finance and Development, June 2005

<http://www.imf.org/external/pubs/ft/fandd/2005/06/hanushek.htm>

Monday February 21st: Week Seven:

Todorao: Chapter 9: Agriculture

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

Global Warming and agriculture, Finance and development March 2008

<http://www.imf.org/external/pubs/ft/fandd/2008/03/cline.htm>

Monday February 28th: Week Eight:

Todaro: Chapter 11: Development Policy and Role of Markets

Recipe for success

<http://www.imf.org/external/np/exr/BForums/2007/summary/112907.htm>

One economics many recipes

<http://www.imf.org/external/np/tr/2007/tr071129a.htm>

Goodbye Washington consensus, hello Washington confusion

<http://ksghome.harvard.edu/~drodrik/Lessons%20of%20the%201990s%20review%20JEL.pdf>

Monday March 7th: Week Nine:

Todaro: Chapter 12: Trade Policy Debate

A trade policy perspective on capital controls

<http://www.imf.org/external/pubs/ft/fandd/1999/03/schuknec.htm>

Trade policy by Anne Krueger

<http://www.imf.org/external/np/speeches/2005/041905.htm>

Trade: An engine of growth for Africa

<http://www.imf.org/external/pubs/ft/fandd/1999/12/sharer.htm>

Monday March 14th: Week Ten:

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.

The challenge of predicting economic crises

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

Case study: The Asian crisis and implications to development.

Week 11th: March 21st to March 25th: Spring Break: No Class

Monday March 28th: Week 12

Exam 2: On Monday March 28th covers week 5 to week 10 and any material assigned. In addition, glossary terms page 7 to page 12 ending with NAFTA. These are on blackboard under learning modules. As with Exam 1, we will start on the new material for this week and then take the exam.

Pls note: there are NO make up for missed exams.

Todaro: Chapter 14, Foreign Finance and Aid

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

On Reserve:

Chapter 2, “The legend of the big Push”, from William Easterly. The White’s Man Burden, Why the West’s efforts to aid the rest have done so much ill and so little good, Penguin Books, 2006.

Chapter 3, “You can’t plan a market” from William Easterly. The White’s Man Burden, Why the West’s efforts to aid the rest have done so much ill and so little good, Penguin Books, 2006. rve

Role of remittances in development:

http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1110315015165/MD_Brief8.pdf

Optional:

From Back to Basics “Remittances”

Monday April 4th: Week 13

Will finish the material from week 12.

Todora: Chapter 15: Financial Markets and Development

Financial Markets and Economic Development in Africa

http://info.worldbank.org/etools/docs/library/83611/Africa_PERI.pdf

Monday April 11th: Week 14th

Todaro: Chapter 15: Currency markets, exchange rates

Exchange rate regimes: Is the bipolar view correct.

<http://www.imf.org/external/pubs/ft/fandd/2001/06/fischer.htm>

Exchange rate regimes: Fix or Float?

<http://www.imf.org/external/pubs/ft/fandd/2008/03/basics.htm>

A new Bretton Woods

<http://www.imf.org/external/pubs/ft/fandd/2009/03/boughton.htm>

Monday April 18th: Week 15th:

Globalization, Institutions and Development

The IMF on Globalization found at:

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

The World Bank on Globalization:

<http://www1.worldbank.org/economicpolicy/globalization/>

Optional:

The Globalization website:

<http://www.sociology.emory.edu/globalization/>

Monday April 25th: Week 16th: Institutions and Economic Development, governance and its role

Root Causes, in Finance and Development, found at:

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

The primacy of institutions by Dani Rodrik and Arvin Subramanian

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

The World Bank: Governance matters 2008

<http://info.worldbank.org/governance/wgi/index.asp>

There is one case study that we will view in class-time permitting- this week on property

rights and economic development from the work of Hernan De-Soto “The Mystery of Capital”.

Comprehensive Final Exam will cover material starting with week 5 to week 16. Any material assigned for the third part and glossary terms from page 13 to page 18 on blackboard under learning modules.

The final will be on Monday May 2 from 7:30 p.m. – 9:00 p.m.

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

Grading Policy

Grades will be earned on the following basis:

Exams: 2 mid-terms and one final exam. The weights are 25% for the first mid-term, 35% for the second mid-term and 40% for the final exam. **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-.

Disabilities: Any student with a documented disability who needs to arrange accommodations must contact both the instructor and Disability Services at the beginning of the term