

ECON 460: Economic Development

Luke Petach

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E-mail: luke.petach@colostate.edu
Office Hours: T/Th 11:00am-12:30pm
Office: Clark A14-A

Web: <https://canvas.colostate.edu>
Class Hours: T/Th 12:30pm-1:45pm
Class Room: Eddy 200

Course Description

This course will present a survey of topics from the field of development economics. The course will span issues concerning both developing and developed countries. We will approach development through a variety of lenses, taking microeconomic, macroeconomic, and historical perspectives, with an eye toward formulating appropriate development policy. Topics covered will include the measurement of economic development, poverty and inequality, economic growth, urban and rural development trajectories, microfinance, political institutions and path dependence, and the differential impacts of economic development across demographic groups.

Required Textbooks

- Basu, K. 2000. *Analytical Development Economics: The Less Developed Economy Revisited*. Cambridge, MA: MIT Press.
- Foley, M., and Michl, T. 1999. *Growth and Distribution*. Cambridge, MA: Harvard University Press.
- I will make other readings available on Canvas as needed.

Methodology and Delivery

This course is presented as a series of lectures and class discussions. **It is very important that you attend every class period.** It is expected that you complete the required readings prior to the first class meeting of a given week.

Prerequisites/Corequisites

ECON 304, Intermediate Macroeconomics, is a prerequisite for this course. In addition, familiarity with basic concepts in microeconomics, and some simple calculus knowledge, is assumed.

Course Objectives

At the conclusion of this course students should:

1. Understand the particular structural characteristics of developing countries.
2. Compare and contrast theories of economic growth. Understand their varying relevance to developed and developing countries.
3. Identify the specific problems developing countries face and consider policies to address those problems.
4. Understand the causes of poverty and inequality in developed and developing countries. Understand why they differ.

Contact Hours

The federal credit hour definition requires 2 hours of outside work for each hour of instruction every week. Below you will find an example of a weekly schedule that satisfies these expectations where contact hours measure the amount of time students are expected to be engaged in the course including both instructional time (reviewing lectures) and other time engaged with the course materials.

Activity	Contact Hours Per Week
Attend class	3.0
Read the assigned materials	3.0
Review class notes	1.0
Exam study/Homework Problems/Essay writing	2.0
Total	9.0

Course Assignments

1. The assignments in this course consist of a mix of seminar papers, exams, student presentations, and a critical book review.
2. Students must submit two 4 to 6 page seminar papers which summarize and critically evaluate the readings for a given week. Students can select any two weeks of class they wish to submit seminar papers for, however at least one of these weeks must correspond to the student's chosen presentation week.

3. Each student will be charged with leading the class in a discussion of the week's assigned reading once throughout the semester. This week must correspond with one of the student's chosen seminar paper weeks. A sign-up sheet for different weeks will be sent around at the beginning of the semester.
4. By the third week of the semester, students must select one of the books included on the list at the end of this syllabus to write a critical book review on and inform me of their choice. This assignment requires the student to complete an 6 to 10 page critical review of the book they have selected. The book review will be due in the second-to-last week of the semester. We will go over this assignment in more detail later on. Examples of similar reviews will be posted on Canvas.
5. There will be one midterm exam and one final exam. These will cover material from the assigned readings and in-class examples. The exams will be taken individually, in class, on the date listed on the schedule.
6. **No credit will be given for late work.** It is your responsibility to hand in assignments early if you plan on missing class.
7. Finally, I have one pet peeve. I will not accept un-stapled multi-page work. If you try to hand me un-stapled work, I will hand it back to you and you will received a grade penalty.

Table 1: Grading Schedule

Assignment	Grade Points	Grade Percentage
Student-led Discussion	20	≈ 14.2%
Seminar Papers (2 @ 25 Pts)	50	≈ 35.7%
Critical Book Review	20	≈ 14.2%
Exams (2 @ 25 Pts)	50	≈ 35.7%
Total	140	100 %

Course Grading Criteria

Table 2: Course Grading Criteria

Grade	Percentage Grade	Equivalent Points	Indicates
A	90-100	126-140	Excellent
B	80-89	112-125	Above Average
C	70-79	98-112	Average
D	60-69	84-98	Below Average
F	0-59	Less than 84	Failure

Department Statement on Copyright

Please do not share material from this course in online, print or other media. Course material is the property of the instructor who developed the course. Materials authored by third parties and used in the course are also subject to copyright protections. Posting course materials on external sites (commercial or not) violates both copyright law the CSU Student Conduct Code. Students who share course content without the instructor's express permission, including with online sites that post materials to sell to other students, could face disciplinary or legal action.

Academic Integrity

I take academic integrity seriously. Any evidence of academic dishonesty, including plagiarism or cheating on exams, will be penalized with a failing grade for the course and passed on to the Office of Student Affairs for investigation and possible disciplinary action.

At a minimum, academic integrity means that no one will use another's work as their own. The CSU writing center defines plagiarism this way: "Plagiarism is the unauthorized or unacknowledged use of another person's academic or scholarly work. Done on purpose, it is cheating. Done accidentally, it is no less serious. Regardless of how it occurs, plagiarism is a theft of intellectual property and a violation of an ironclad rule demanding credit be given where credit is due." -Writing Guides: Understanding Plagiarism. <http://writing.colostate.edu/guides/researchsources/understandingplagiarism>.

Academic Dishonesty could result in expulsion from the university. This course will adhere to the CSU Academic Integrity Policies and Guiding Principles as found in the General Catalog and the Student Conduct Code. At a minimum, violations will result in a grading penalty in this course and a report to the Office of Conflict Resolution and Student Conduct Services. Of course, academic integrity means more than just avoiding plagiarism and cheating. It also involves doing your own reading and studying. It includes class attendance, careful consideration of all class materials, and engagement with the class and your fellow students.

CSU Honor Pledge

Academic integrity lies at the core of our common goal: to create an intellectually honest and rigorous community. Because academic integrity, and the personal and social integrity of which academic integrity is an integral part, is so central to our mission as students, teachers, scholars and citizens, I will ask that you affirm the CSU Honor Pledge as part of completing your work in this course. Each exam and assignment you submit, you will be required to affirm the following statement:

"I have not given, received, or used any unauthorized assistance."

Further information about Academic Integrity is available at CSU's Practicing Academic Integrity <http://learning.colostate.edu/integrity/index.cfm>.

Course Withdrawal Policy

Any student who wishes to withdraw from the course must submit a request directly to Division of Continuing Education. For complete information, please visit their website at <http://www.learn.colostate.edu/help/creditstudents/registration/drop-policy.dot>

ADA and Resources for Students with Disabilities

Students with disabilities may be eligible for accommodations in accordance with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act. It is the student's responsibility to disclose any learning disabilities. Please contact the instructor if a special accommodation is required. To request accommodations, students should contact Resources for Disabled Students at (970) 491-6385 or go to <http://rds.colostate.edu>. Documentation of disability is required and the RDS office will assist in this process.

Title IX

CSU's Discrimination, Harassment, Sexual Harassment, Sexual Misconduct, Domestic Violence, Dating Violence, Stalking, and Retaliation policy designates faculty and employees of the University as "Responsible Employees." This designation is consistent with federal law and guidance, and requires faculty to report information regarding students who may have experienced any form of sexual harassment, sexual misconduct, relationship violence, stalking or retaliation. This includes information shared with faculty in person, electronic communications or in class assignments. As "Responsible Employees," faculty may refer students to campus resources (see below), together with informing the Office of Support and Safety Assessment to help ensure student safety and welfare. Information regarding sexual harassment, sexual misconduct, relationship violence, stalking and retaliation is treated with the greatest degree of confidentiality possible while also ensuring student and campus safety. Any student who may be the victim of sexual harassment, sexual misconduct, relationship violence, stalking or retaliation is encouraged to report to CSU through one or more of the following resources: Emergency Response 911, Deputy Title IX Coordinator/Office of Support and Safety Assessment (970) 491-1350, Colorado State University Police Department (non-emergency) (970) 491-6425. For counseling support and

assistance, please see the CSU Health Network, which includes a variety of counseling services that can be accessed at: <http://www.health.colostate.edu/>. The Sexual Assault Victim Assistance Team is a confidential student resource that does not have a reporting requirement: <http://www.wgac.colostate.edu/need-help-support>.

Other Accomodations

- Canvas technical support: <http://info.canvas.colostate.edu/student-resources.aspx>
- Writing Center: help with written assignments can be found at the Writing Center <http://writingcenter.colostate.edu>.

Classroom Conduct

Students are required to act respectfully in the classroom at all times, any disruptive behavior that inhibits fellow-student learning will not be permitted and will constitute a one day removal from lecture/recitation; a second offense will require a formal meeting with the student, instructor, and TA. Such behavior includes holding conversations during lecture/recitation, any unauthorized cell phone, laptop, or tablet use, or other behavior which detracts from the class.

Office Hours

Cancellation of any office hours or appointments will be notified via a notice on my door, announcement in class or by email. If you wish to see me in person outside of office hours, please make an appointment by email. I encourage students to ask me short questions by email, as this method can be quicker than an appointment if the query is straightforward.

Extra Credit

Extra credit may be awarded at the discretion of the Instructor during the semester.

Disclaimer

All of the information in this course syllabus is subject to change when deemed necessary by the instructor. Students will be notified verbally in class, via postings on the class homepage, or by email if such changes occur.

Course Schedule

Week 01, 01/21 - 01/25: Introduction and Math Review

- Required Readings:
 1. Foley and Michl, Ch. 1
 2. Basu, Ch.1, 15

Week 02, 01/28 - 02/01: Economic Growth

- Required Readings:
 1. Basu, Ch. 3.1-3.3
 2. Foley and Michl, Ch. 2-4, 6.
 3. Bowles, S., and Gintis, H. 1982. "The Welfare State and Long-Term Economic Growth: Marxian, Neoclassical, and Keynesian Approaches." *American Economic Review*, 72(2): 341-345.

Week 03, 02/04 - 02/08: Alternative Measures of Economic Development

- Required Readings:
 1. 2019 World Development Report.
 2. Sen, A. 2003. "Development as Capability Expansion." *Readings in Human Development*.
 3. Roemer, J. 2006. Review Essay, "The 2006 World Development Report: Equity and Development." *Journal of Economic Inequality*, 4(2): 233-244.
 4. Chang, H. 2010. "Hamlet without the Prince of Denmark."
- **Seminar Paper: Discuss and evaluate either Sen's case for focusing on capabilities or Chang's case for development as transformation in the productive structure of the economy.**

Week 04, 02/11 - 02/15: Poverty

- Required Readings:
 1. Banerjee, A., and Duflo, E. 2007. "The Economic Lives of the Poor." *Journal of Economic Perspectives*, 21(1): 141-167.
 2. Marx, B., Stoker, T., and Suri, T. 2013. "The Economics of Slums in the Developing World." *Journal of Economic Perspectives*, 27(4): 187-210.
 3. Basu, Ch. 2.

Seminar Paper: Explain and critically discuss the myopia, market failure, and multiple equilibria explanations of poverty.

Week 05, 02/18 - 02/22: Inequality: History and Data

- Required Readings:
 1. Alvaredo et al. 2013. "The Top 1 Percent in International and Historical Perspective." *Journal of Economic Perspectives*, 27(3): 3-20.
 2. Piketty, T. "Putting Distribution Back at the Center of Economics: Reflections on *Capital in the Twenty-First Century*." *Journal of Economic Perspectives*, 29(1): 67-88.
 3. Alvaredo et al. 2018. "The Elephant Curve of Global Inequality and Growth." *AEA Papers and Proceedings*, 108: 103-108.
- **Seminar Paper: Summarize and critically discuss Piketty's explanation for rising inequality.**

Week 06, 02/25 - 03/01: Inequality: Theory

- Required Readings:
 1. Basu, Ch. 3.4.
 2. Foley and Michl Ch. 10
 3. Stockhammer, E. 2015. "Rising Inequality as a Cause of the Present Crisis." *Cambridge Journal of Economics*, 39: 935-958.
- **Seminar Paper: How and why might inequality harm growth and/or a more broadly conceived notion of economic development?**

Week 07, 03/04 - 03/08: Dualism and Migration

- Required Readings:
 1. Basu Ch.7, Ch.8.
- **Seminar Paper: Discuss and evaluate the political economy implications of the Lewis model for the structure of wages and wage bargaining in a developing economy.**

Week 08, 03/11 - 03/15: Review and Exam 1

- Catch Up + Review.
- Exam 1 in Class on Thursday.

Week 09, 03/18 - 03/22: Spring Break

Week 10, 03/25 - 03/29: Rural Stagnation

- Required Readings:
 1. Basu Ch. 11, Ch. 12.
- **Seminar Paper: Explain and critically evaluate the impact of land tenure and property rights arrangements on economic development in rural areas.**

Week 11, 04/01 - 04/05: Institutions and Development

- Required Readings:
 1. Acemoglu, D., Johnson, S., and Robinson, J. 2001. "The Colonial Origins of Comparative Development." *American Economic Review*, 91(5): 1369-1401.
 2. Chang, H. J. 2011. "Institutions and Economic Development." *Journal of Institutional Economics*, 7(4): 473-498.
- **Seminar Paper: Can differences in economic and political institutions explain cross-country differences in standards of living?**

Week 12, 04/08 - 04/12: Industrial Policy

- Required Readings:
 1. Taylor, L., and Shapiro, H. 1990. "The State and Industrial Strategy." *World Development*, 18(6): 861-878.
 2. Chang, H.J., 1994. "The Political Economy of Industrial Policy.", Ch.3.
- **Seminar Paper: Explain the concept of industrial policy. Analyze what factors are likely to impact whether or not industrial policy efforts are successful.**

Week 13, 04/15 - 04/19: Microfinance

- Required Readings:
 1. Basu, Ch. 13.
 2. Morduch, J. 1999. "The Microfinance Promise." *Journal of Economic Literature*, 37: 1569-1614
- **Seminar Paper: Does microfinance work?**

Week 14, 04/22 - 04/26: Natural Resources, the Environment, and Development

- Required Readings:
 1. Sachs, J., and Warner A. 2001. "The Curse of Natural Resources." *European Economic Review*, 45: 827-838.
 2. Ross, M. 1999. "The Political Economy of the Resource Curse." *World Politics*, 51(2): 297-322.
 3. Grossman, G., and Krueger, A. 1995. "Economic Growth and the Environment." *Quarterly Journal of Economics*, 110(2): 353-377.
- **Seminar Paper: Critically evaluate the impact of natural resource extraction on economic development.**

Week 15, 04/29 - 05/03: Trade and International Policy

- Required Readings:
 1. Kersting, E., and Kilby, C. 2016. "With a Little Help from my Friends: Global Electioneering and World Bank Lending" *Journal of Development Economics*, 121: 153-165.
 2. Stiglitz, J. 2007. "The Post Washington Consensus Consensus."
 3. Darity, S., and Davis, L. 2005. "Growth, Trade, and Uneven Development." *Cambridge Journal of Economics*, 29(1): 141-170.
- **Seminar Paper: Do globalization and trade liberalization help or hurt economic development?**

Week 16, 05/06 - 05/10: International Finance and Development

- Required Readings:
 1. Basu, Ch. 6.
 2. Stiglitz, J. 2000. "Capital Market Liberalization, Economic Growth, and Instability." *World Development*, 28(6): 1075-1086.
- **Critical Book Review Due Thursday**
- **Seminar Paper: Discuss and critically assess the impact of international financial markets on economic development.**

Week 17, 05/13 - 05/17: Final Exam

Critical Book Review List

You must select *ONE* book from this list to write a critical book review on:

- Acemoglu, D. and Robinson, J. 2012. *Why Nations Fail: The Origins of Prosperity, Power, and Poverty*, New York: Crown.
- Duflo, E., and Banerjee, A. 2012. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, New York: Public Affairs.
- Deaton, A. 2013. *The Great Escape: Health, Wealth, and the Origins of Inequality*, Princeton: Princeton University Press.
- Collier P. 2008. *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*, Oxford: Oxford University Press.
- Stiglitz, J., Sen, A., and Fitoussi, J. 2010. *Mis-measuring Our Lives: Why GDP Doesn't Add Up.*, New York: The New Press.
- Stiglitz, J. 2002. *Globalization and its Discontents*, New York: Norton.