

**ECON 4600: Economic Development**  
**CRN 84523**  
**Fall 2018**

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**Office Location:** Andrew Young School, 556P  
**Office Hours:** Fridays 10:00 AM – 11:30 AM, and by appointment (please email)

**Class Hours:** F 12:30 PM – 3:00 PM  
**Classroom:** Classroom South 101

**Pre-requisites**

Principles of Macroeconomics (ECON 2105) and Principles of Microeconomics (ECON 2106)

**Catalogue Description**

This course analyzes the issues underlying vast differences in development among the nations of the world. Economic growth, subject to appropriate restraints on environmental degradation, is seen as a major instrument for improving the development of nations and the welfare of their people. The course employs elements of theories of growth, international trade and finance, industrial organization, money, as well as micro and macroeconomics to analyze causes of and prescribe cures for, underdevelopment.

**Course Objective**

The goal of this course is to introduce students to a set of contemporary economic problems facing developing countries. Some of these topics include: poverty; inequality; poor education and health; gender disparities; informal labor markets; and rapid urbanization. The presentation of the course will combine and overview of economic concepts used to study economic phenomena in developing countries with empirical evidence and policy.

**Method of Instruction**

This class will be taught in a combination of lectures, class discussion and student participation, homework assignments, a group presentation of a policy proposal, and midterm evaluations. Class discussions will focus on policy-relevant topics, and students are expected to engage in dialogue about the causes of development issues, as well as a discussion of both strengths and weaknesses of alternative policy recommendations. The policy proposal (to be completed in groups) will provide an opportunity for students to interpret simple summary statistics on development and economic data, research empirical evidence, and use evidence to assess the merits of different policies used to tackle economic problems facing developing countries. In light of their research, students are expected to formulate a simple policy solution.

**Course Learning Outcomes**

The student should be able to:

1. Apply economic concepts to contemporary development issues and make informed economic assessments.

2. Have a conceptual understanding of the strengths and weaknesses of methods used to assess the efficacy of development policy.
3. Develop a basic understanding of indicators and measures of economic development, and interpret simple summary statistics.
4. Understand the strengths and weaknesses of the different methods used to measure poverty and inequality.
5. Understand and describe the effects of population growth, history, and geography on economic development.
6. Understand and describe the relationship between human capital, gender disparities, and economic development.
7. Understand and describe the effect of foreign financial assistance, investment, and conflict on economic development.

### **Required Material and other Resources**

- Todaro, M. P., & Smith, S. C. (2015). *Economic Development* (12th ed.). Harlow: Pearson.
- Easterly, W. (2001). *The Elusive Quest for Growth*. MIT Press.  
(The e-book version is available for FREE to GSU students through the school library)
- Banerjee, A., & Duflo, E. (2012). *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. PublicAffairs.  
(The e-book version is available for FREE to GSU students through the school library)

Additional readings may include journal articles, excerpts from books, and other documents. Scanned copies will be made available via iCollege. If a link suffices, it will be included in the course outline.

Academic sources are expected to be referenced and cited in the group presentation. Make use of the library resources, especially the EconLit database which houses all economics papers published in peer reviewed journals. See the link below.

<http://research.library.gsu.edu/az.php?a=e>

### **Class Requirements and Policies for Missed Assignments**

- **Homework Assignments**

There will be a total of 6 homework assignments, each consisting of a number of multiple choice questions. All homework assignments will be made available and must be completed through iCollege. Homeworks will be due on Sundays at 10 PM. See course outline for specific due dates and corresponding chapters.

Because the submission is online, the deadline for each assignment will be upheld strictly and *no late submissions will be accepted.* Consider that you may experience technical difficulties, so give yourself enough time to complete each homework. Technical difficulties are not a valid excuse to submit your assignment late. In order to account for unforeseen circumstances, the lowest homework grade will be replaced with the highest homework grade when computing the final grade for the course.

- **Midterm Exams**

There will be two midterm exams consisting of a combination of multiple choice questions and short-answer, conceptual questions. Students must bring a bluebook and a writing utensil to the midterm exams in order to complete the writing section. There will be no bluebooks available from the instructor on the day of the tests. You may purchase bluebooks at the university bookstore. Please refer to the course outline for specific dates and corresponding testing material. No midterm exam will be cumulative; however, because of the nature of the course, topics are likely to build on each other and exams may require students to refer to previously learned content.

*There will be no make-up exams under any personal circumstance.* The only case in which an early exam may be considered is due to participation in a school sanctioned event (such as a sport competition). If this applies to you, please contact the instructor via email no later than 2 weeks before the exam, and provide the formal documentation to be properly excused. This policy applies to the first midterm exam, not the second. The second midterm exam will take place on the day of the final, as scheduled by the Registrar's office. No early exams will be considered for Midterm II.

Georgia State University and the Department of Economics have strict expectations of academic integrity. For any exams/quizzes administered, it is expected that such exams/quizzes be the student's independent, individual work without any assistance. Assistance from any persons, notes, books, consultations, groups, electronic devices, previous course exams, or any other sources is strictly prohibited and considered to be a breach of academic honesty. A breach of academic honesty has serious consequences including expulsion.

- **Group Presentation of Policy Proposal**

Students will be required to develop a brief group presentation of a policy proposal for a development intervention of their choice. The presentation will be composed of three parts: (I) background and description of the country and development problem, (II) summary of relevant research and empirical evidence, and (III) description of proposed intervention and expected results. Students will work in groups assigned by the instructor, and are expected to meet with the instructor at least once during the semester to receive feedback on their progress.

Please refer to the "Policy Proposal" folder in iCollege for detailed guidelines, due dates, a rubric, and useful resources.

- **Extra Credit**

*There will be no opportunities for extra credit.* Please do not contact the instructor regarding this matter.

### **Attendance Policy**

Lecture attendance does not factor directly into your course grade. However, attending class is important and experience indicates that students who attend class regularly do significantly better than students who do not. This will be a fast-pace course, missing one lecture can amount to a significant loss in class material. Students missing class should consult with a classmate to determine what was missed.

## Important Dates

- 08/20 - First day of classes
- 08/24 - Last day to drop/add courses
- **10/05 - Midterm I**
- 10/09 - Last day to withdraw (<http://registrar.gsu.edu/registration/withdrawals/>)
- 11/19-11/24 - Thanksgiving break (no classes)
- **11/30 - In-class group presentations**
- 12/03 - Last day of classes
- **12/07 - Midterm II**

## Grading Policy

See the table for details on how grades will be determined.

Item	Points	Date
Homework assignments	15	Sundays @ 10:00 PM
Midterm exam I	30	Friday October 5 <sup>th</sup> @ 12:30 PM
Group policy proposal	25	Friday November 30 <sup>th</sup> @ 12:30 PM
Midterm exam II	30	Friday December 7 <sup>th</sup> @ 10:45 AM
Total	100	

Student grades will be assigned based on the following scale.

Course Grade	Evaluation
A+	your grade $\geq$ 97%
A	$\geq$ 93%
A-	$\geq$ 90%
B+	$\geq$ 87%
B	$\geq$ 83%
B-	$\geq$ 80%
C+	$\geq$ 77%
C	$\geq$ 73%
C-	$\geq$ 70%
D	$\geq$ 60%
F	< 60%

## Communication

Access to GSU's learning management system, iCollege, is required. All class materials such as PowerPoint presentations, homework assignments, and grades are all available through iCollege. You are responsible for checking iCollege regularly as all class announcements will be posted there. It is recommended that students check the iCollege course website at least once between class meetings. Students may set up notifications in iCollege so that they are automatically alerted to new iCollege emails and announcements. iCollege can send such notifications to an email account of their choice or via text messaging. Student help for iCollege can be found here:

<http://technology.gsu.edu/technology-services/it-services/training-and-learning-resources/desire2learn/taking-courses-in-desire2learn-for-students/>

*Use your student email address when you contact the instructor. Emails received from personal addresses will not be replied to. Preferably, do not use the iCollege communication system.*

### **Policy on Academic Honesty**

All students are responsible for knowing and adhering to GSU's Policy on Academic Honesty as published in the Student Code of Conduct Handbook.

Website: <http://deanofstudents.gsu.edu/student-conductpolicy-on-academic-honesty/>

At the instructor's discretion, any academic misconduct during an exam will be first handled with a verbal warning. If the student fails to comply with the instructor's warning, the student will be asked to turn in the exam, and will receive a grade of zero.

Academic honesty also involves properly citing work that is not your own. This will be strictly enforced for the group presentations. No form of plagiarism will be tolerated. As noted in the University's Policy on Academic Honesty: "Plagiarism is presenting another person's work as one's own. Plagiarism includes any paraphrasing or summarizing of the works of another person without acknowledgment, including the submitting of another student's work as one's own. Plagiarism frequently involves a failure to acknowledge in the text, notes, or footnotes the quotation of the paragraphs, sentences, or even a few phrases written or spoken by someone else...The student is responsible for understanding the legitimate use of sources, the appropriate ways of acknowledging academic, scholarly or creative indebtedness, and the consequences of violating this responsibility."

For more, please refer to the Policy on Academic Honesty ([Section 409](#)).

### **Policy on Re-grading Assignments**

Students are allowed to submit request to re-grade an exam or other assignments. However, this request will only be considered if it is done within 48 hours after the assignment grade has been released in iCollege. If a request is done after 48 hours or more, it will not be granted and the grade will stay as first assigned by the instructor. Note that if a re-grading request is submitted, the student grants the instructor the freedom to fully re-assess the quality of the work. Therefore, the grade post-revision may be higher or lower than first assigned.

### **Disruptive Student Conduct**

All forms of disruptive behavior should be avoided. Disruptive student behavior as defined by the Student Code of Conduct includes but is not limited to: "verbal or physical threats, repeated obscenities, unreasonable interference with class discussion, making/receiving personal phone calls, excessive tardiness, leaving and entering class frequently in the absence of notice to instructor of illness or other extenuating circumstances, and persisting in disruptive personal conversations with other class members."

If a student is being disruptive, he or she will first be verbally warned by the instructor. If the student fails to comply with the warning, the student will be asked to leave the classroom for the remainder of the class period. If the student refuses to leave, the instructor may summon the campus police to remove the student.

Please ensure that laptops, cellular phones, tablets, etc. are turned silence during lectures and exams.

Refer to Georgia State University policy on disruptive student conduct at <http://codeofconduct.gsu.edu/>

### **External Resources**

It is critical that students have access to a reliable internet connection throughout the semester, especially to submit the homework assignments and access the reading material. There are multiple computer labs on campus that students may use; see link below for more information about location and hours.

<http://technology.gsu.edu/technology-services/it-services/labs-and-classrooms/computer-labs/>

There are a few journal articles and working papers which are required readings for the class. All links will be provided by the instructor. However, if students ever need to search for a class reading, or other readings for the assignments, they are highly encouraged to use the online library resources. If you are having difficulty navigating the databases, please contact the instructor for further assistance.

### **Important Notes:**

1. This syllabus is designed as a general guide to course content. Each instructor will provide a more detailed description of assignments, requirements, and evaluation methods
3. All students are responsible for knowing and adhering to GSU's Policy on Academic Honesty as published in Student Code of Conduct Handbook.
4. Your constructive assessment of this course plays an indispensable role in shaping education at Georgia State. Upon completing the course, please take time to fill out the online course evaluation.
5. Students who wish to request accommodation for a disability may do so by registering with the Office of Disability Services. Students may only be accommodated upon issuance by the Office of Disability Services of a signed Accommodation Plan and are responsible for providing a copy of that plan to instructors of all classes in which accommodations are sought.
6. Students who withdraw after the midpoint of each term will not be eligible for a "W" except in cases of Emergency Withdrawal.
  - a. Withdrawal Policy: <http://advisement.gsu.edu/self-service/policies/withdrawal-policy/>
  - b. Repeat to Replace Policy: <http://advisement.gsu.edu/self-service/policies/repeat-to-replace-policy/>
  - c. Grade Appeal and Change (including Incomplete Grades) Policy: <http://registrar.gsu.edu/academic-records/grading/grade-appeals-and-changes/>
7. Important University dates can be found at <http://registrar.gsu.edu/registration/semester-calendars-exam-schedules/>
8. Georgia State University values diversity and is committed to fostering and maintaining an educational environment which appreciates individual differences in all areas of operation including classroom instruction, texts, and materials. To this end, any actions, practices, or processes by any faculty, staff person, or student that discriminates against or is prejudicial toward any person or group based on race, gender, age, religion, ethnicity, nationality, disability, sexual orientation, or socioeconomic status will not be tolerated.
9. Students are expected to behave properly in class – so as not to interfere with the learning environment of others in the classroom. This includes showing up for class on time, not leaving early (or at least being quiet if either of those do happen), not talking to neighbors in class, not using cell phones during class, etc. Students not adhering to these rules/guidelines may be asked to leave the class and may be subject to an administrative withdrawal (depending on the severity of the infraction). See the Student Code of Conduct Handbook for more information on GSU's policy on disruptive student behavior in the classroom.

**The course syllabus provides a general plan for the course; deviations may be necessary.**

# Course Outline

Note: Unless otherwise noted, read all documents and chapters in full. The expectation is that you read the required readings prior to coming to lecture, so you can be prepared to ask questions and participate. The suggested readings are additional resources which may be a good starting point as motivational references for the group policy proposal.

## Friday 08/24

Topic: Syllabus and Introduction to Economic Development

Required readings:

- Todaro & Smith, Chapter 1: Introducing Economic Development: A Global Perspective.
- Banerjee, A. & Duflo, E. (2007). The economic lives of the poor. *Journal of Economic Perspectives* 21(1): 141-167.  
[http://ibread.org/bread/system/files/bread\\_wpapers/135.pdf](http://ibread.org/bread/system/files/bread_wpapers/135.pdf)

Suggested readings:

- How poor countries seemed to be catching up with rich ones—and why they are now falling behind again. The economist.  
<https://www.economist.com/blogs/economist-explains/2014/09/economist-explains-9>

## Friday 08/31

Topic: Defining the developing world

Required readings:

- Todaro & Smith, Chapter 2: Comparative Economic Development (pp. 42-73)

Suggested readings:

- Human Development Report Overview (2016)  
[http://hdr.undp.org/sites/default/files/HDR2016\\_EN\\_Overview\\_Web.pdf](http://hdr.undp.org/sites/default/files/HDR2016_EN_Overview_Web.pdf)

## Sunday 09/02

Homework 1 due @ 10:00 PM in iCollege

## Friday 09/07

Topic: Comparative Economic Development and Contemporary Models of Development

Required readings:

- Todaro & Smith, Chapter 2: Comparative Economic Development (pp. 73-95)
- Todaro & Smith, Chapter 4: Contemporary Models of Development and Underdevelopment (pp. 164-168)
- Easterly, *Elusive Quest for Growth*, Chapter 8: Tales of Increasing Returns (pp.155-169)

Suggested readings:

- Easterly, *Elusive Quest for Growth*, Chapter 3: The Solow Surprise
- Easterly, *Elusive Quest for Growth*, Chapter 2: Aid for Investment

## Friday 09/14

Topic: Foreign Aid and Development

Required readings:

- Todaro & Smith, Chapter 14: Foreign Finance, Investment, Aid, and Conflict (pp.747-757)
- Easterly, *Elusive Quest for Growth*, Chapter 2: Aid for Investment
- *Foreign Aid Face-off*  
<http://www.latimes.com/la-op-sachseasterly8may8-htmstory.html>

Suggested readings:

- Clemens, M. et al. (2011). Counting Chickens when they Hatch: Timing and the Effects of Aid on Growth. *The Economic Journal*.  
<https://faculty.polisci.wisc.edu/bhavnani/wp-content/uploads/2013/09/CRBB-Counting-chickens.pdf>
- Edwards. (2014). Economic development and the Effectiveness of foreign aid: a historical perspective.  
<https://voxeu.org/article/development-and-foreign-aid-historical-perspective>

## Sunday 09/16

Homework 2 due @ 10:00 PM in iCollege

## Friday 09/21

Topic: Measuring poverty and inequality

Required readings:

- Todaro & Smith, Chapter 5: Poverty, Inequality, and Development (pp. 218-240)
- Question of the Week: Inequality Part II. Council on Foreign Relations.  
<https://www.cfr.org/blog/question-week-inequality-part-ii>

Suggested readings:

- Question of the Week: Inequality Part I. Council on Foreign Relations.  
<https://www.cfr.org/blog/question-week-inequality>

## Friday 09/28

Topic: Characteristics of the poor and policy options for poverty alleviation

Required readings:

- Todaro & Smith, Chapter 5: Poverty, Inequality, and Development (pp. 240-263)
- Poverty, growth and the World Bank. *The Economist*.  
<https://www.economist.com/blogs/feastandfamine/2013/09/poverty-growth-and-world-bank>

Suggested readings:

- World Development Report: Attacking Poverty  
<http://documents.worldbank.org/curated/en/230351468332946759/pdf/226840WDR00PUB0ng0poverty0200002001.pdf>
- Rival Economists in Public Battle Over Cure for India's Poverty  
<https://www.nytimes.com/2013/08/22/world/asia/rival-economists-in-public-battle-over-cure-for-indias-poverty.html?pagewanted=all>



## Sunday 09/30

Homework 3 due @ 10:00 PM in iCollege

## Friday 10/05

### MIDTERM I

## Friday 10/12

There will be no in-person lecture on this day. Instead, I will upload a video to iCollege where I teach the content related to the chapter below. You are still required to do the readings listed for this chapter.

Topic: Rural-urban migration

Required readings:

- Todaro & Smith, Chapter 7: Urbanization and Rural-Urban Migration: Theory and Policy (pp. 330-360; 362-368)
- Cities and growth: Lump together and like it. The economist.  
<https://www.economist.com/node/12552404>

Suggested readings:

- Keen, M. (2015). Why we need to rethink the informal economy. World Economic Forum.  
<https://www.weforum.org/agenda/2015/06/why-we-need-to-rethink-the-informal-economy/>
- McCaig, B. & Pavcnik, N. (2015) Creating formal sector jobs in low-income countries. CEPR Policy Portal.  
<https://voxeu.org/article/creating-formal-sector-jobs-low-income-countries>

## Friday 10/19

Topic: Population growth

Required readings:

- Todaro & Smith, Chapter 6: Population Growth and Economic Development: Causes, Consequences, and Controversies
- Banerjee & Duflo, *Poor Economics*, Chapter 5: Pak Sudarno's Big Family

Suggested readings:

- Fenger, W. (2010). Can rapid population growth be good for economic development?  
<http://blogs.worldbank.org/african/can-rapid-population-growth-be-good-for-economic-development>

## Sunday 10/21

Homework 4 due @ 10:00 PM in iCollege

## Friday 10/26

Topic: Education and development

Required readings:

- Todaro & Smith, Chapter 8: Human Capital: Education and Health in Economic Development (pp. 382-396; 401-406)
- Banerjee & Duflo, *Poor Economics*, Chapter 4: Top of the Class

Suggested readings:

- The learning deficit. The Economist.  
<https://www.economist.com/node/2610574>
- Crook, C. (2007). The Ten Cent Solution. The Atlantic.  
<https://www.theatlantic.com/magazine/archive/2007/03/the-ten-cent-solution/305628/>
- Brown, G. (2012). Child Labor & Educational Disadvantage – Breaking the Link, Building Opportunity.  
[http://www.ungei.org/child\\_labor\\_and\\_education\\_US.pdf](http://www.ungei.org/child_labor_and_education_US.pdf)

## Friday 11/02

Topic: Health, gender, and development

Required readings:

- Todaro & Smith, Chapter 8: Human Capital: Education and Health in Economic Development (pp. 396-400; 406-424)
- Banerjee & Duflo, *Poor Economics*, Chapter 3: Low-Hanging Fruit for Better (Global) Health?
- World Development Report (2012). Gender Equality and Development (pp. 2-38)  
<http://siteresources.worldbank.org/INTWDR2012/Resources/7778105-1299699968583/7786210-1315936222006/Complete-Report.pdf>

Suggested readings:

- Health, Wealth, and Welfare  
<http://web.worldbank.org/archive/website01055/WEB/IMAGES/BLOOM.PDF>
- Temin, M. & Levine, R. (2009). Start with a Girl: A New Agenda for Global Health. Center for Global Development.  
[https://www.cgdev.org/sites/default/files/1422899\\_file\\_Start\\_with\\_a\\_Girl\\_FINAL\\_0.pdf](https://www.cgdev.org/sites/default/files/1422899_file_Start_with_a_Girl_FINAL_0.pdf)
- Women could make Asia rich. The Economist  
<https://www.economist.com/blogs/feastandfamine/2013/09/poverty-growth-and-world-bank>

## Sunday 11/04

Homework 5 due @ 10:00 PM in iCollege

## Friday 11/09

There will be no in-person lecture on this day. Instead, I will upload a video to iCollege where I teach the content related to the chapter below. You are still required to do the readings listed for this chapter.

Topic: Agriculture and rural development

Required readings:

- Todaro & Smith, Chapter 9: Agricultural Transformation and Rural Development

Suggested readings:

- African Governments are Having Doubts about their Staple Crop. The economist  
<https://www.economist.com/news/middle-east-and-africa/21740461-relying-maize-half-ones-calories-riskyand-makes-boring>
- The new green revolution: A bigger rice bowl. The economist.  
<https://www.economist.com/news/briefing/21601815-another-green-revolution-stirring-worlds-paddy-fields-bigger-rice-bowl>

## **Friday 11/16**

Topic: The environment and development

Required readings:

- Todaro & Smith, Chapter 10: The Environment and Development (pp. 490-508; 518-531)

Suggested readings:

- Look to the Forests: How Performance Payments can Slow Climate Change. Center for Global Development.  
<https://www.cgdev.org/publication/ft/look-forests-how-performance-payments-can-slow-climate-change>
- A burning issue in Africa: Africa's big carbon emitters admit they have a problem. The economist.  
<https://www.economist.com/news/middle-east-and-africa/21740796-can-they-continue-developing-and-still-uphold-paris-climate-agreement-africas>
- Latin America is set to become a leader in alternative energy. The Economist.  
<https://www.economist.com/news/americas/21711307-power-andean-sun-latin-america-set-become-leader-alternative-energy>

## **Sunday 11/18**

Homework 6 due @ 10:00 PM in iCollege

## **Friday 11/30**

Topic: Group presentations

## **Friday 12/07**

**MIDTERM II @ 10:45 AM**

**This course outline is preliminary, deviations may be necessary.**