

Economics 4784-001: Economic Development

Fall 2010

MWF 11-11:50PM

Room: ECON 117

Class Website through CULearn:

<https://culearn.colorado.edu/>

No Class: 9/6 (Labor Day), 11/22-11/26 (Fall Break)

Professor Francisca Antman

Office: Economics 14b

Office Hours: Monday 2:00-4:30PM, Wednesday 10:00-10:30AM, and by appointment

Phone: (303) 492-8872

Email: francisca.antman@colorado.edu (preferred method of contact)

Course Description

In this course we will explore empirical, theoretical, and policy issues surrounding economic development. These topics will include theories of economic growth, inequality, poverty, demographic change, migration, as well as characteristics of land, labor, and credit markets in developing countries. Note that the field of development economics is very broad and so an introductory course will naturally vary from instructor to instructor. The approach taken in this course is to touch on the many areas of interest to development economists to provide a broad introduction to the field.

Prerequisites: Economics 3070 (Intermediate Microeconomic Theory) or Econ 3080 (Intermediate Macroeconomic Theory).

Optional Textbook: Debraj Ray, *Development Economics*, Princeton University Press, 1998.

Grading

Midterm 1: 25%

Midterm 2: 25%

Final Exam (cumulative): 40%

In-class Exercises, Attendance & Participation: 10%

Class Policies

While there is no required textbook for this course, lectures are primarily drawn from the textbook listed above. Thus, if you are having difficulty understanding a concept we have discussed in class, you may find it useful to consult the textbook. The text covers far more material than will be covered in class and I will present material in class that is not in the textbook, so it is in your interest to come to class. I will also assign articles from academic journals that I would like for you to read for class discussion. A tentative list can be found in the course outline below, but I may add articles from other sources as we move through the course. In general, you will be responsible for material covered in lectures unless otherwise mentioned in class or noted by email or on the course website.

There is no excuse for missing an exam unless there is a documented medical or family emergency. Note that you are required to submit documentation of any emergency. In all other cases, failure to take an exam will result in a zero for that exam. If a legitimate emergency arises, other exams will be re-weighted. No make-up exams will be given. If you foresee any legitimate conflict with the dates of the assignments or exams, please see me at least two weeks beforehand or as soon as possible.

If you miss a class, you are responsible for obtaining notes on the material we covered from another classmate. I encourage you to come to my office hours to discuss the material you missed, but not before you have gone over the material yourself through notes and the textbook if necessary.

Throughout the semester, we will do in-class exercises that will help prepare you for exams while also encouraging you to think on your feet, work in groups, and possibly present your work to the class. These exercises may not be formally graded, but I will count your level of involvement in these exercises along with your attendance and participation (e.g. answering questions posed to the class) at regular intervals throughout the course. I may also ask you to search for articles for discussion and answer related questions on articles which illustrate economic problems we have considered in class. You will be given the opportunity to make up for up to two lost participation points by turning in brief response papers to articles discussed in class at the end of the semester. I may also present exam questions drawn from our class discussions.

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, please see me at least two weeks prior to any conflicts due to religious observances. See full details at www.colorado.edu/policies/fac_relig.html

Other Policies

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, and www.Colorado.EDU/disabilityservices

If you have a temporary medical condition or injury, see guidelines at <http://www.colorado.edu/disabilityservices/go.cgi?select=temporary.html>

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at

<http://www.colorado.edu/policies/classbehavior.html>

and at

http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu; 303-735-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion).

Other information on the Honor Code can be found at

<http://www.colorado.edu/policies/honor.html> and at

<http://www.colorado.edu/academics/honorcode/>

The University of Colorado at Boulder policy on Discrimination and Harassment, the University of Colorado policy on Sexual Harassment and the University of Colorado policy on Amorous Relationships apply to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based upon race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the ODH, the above referenced policies and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>

Economics 4784-001 Tentative Course Outline, Fall 2010

| Week | Dates | Material |
|------|---|--|
| 1 | Aug 23-27 | Intro to Economic Development (ch.1, 2) --How should we measure economic development? (Discuss articles 1*) --Millennium Development Goals (Discuss articles 2*) |
| 2 | 8/30-9/3 | Theories of Economic Growth (ch.3) --Harrod-Domar model. Solow model. |
| | Sep 6 | No Class--Labor Day |
| 3 | Sep 8-10 | Theories of Economic Growth (ch.3) --Explaining cross-country income differences. |
| 4 | Sep 13-17 | Theories of Economic Growth (ch.4) -- Convergence hypotheses. --“Divergence, Big Time” (Pritchett, JEP 1997) |
| 5 | Sep 20-24 | Inequality, Development, and Growth (ch.6, 7) --Measuring inequality. Inverted-U hypothesis. (Discuss articles 3*) -- Self-perpetuating inequality. |
| 6 | 9/27-10/1 | Poverty & Development (ch.8) --Measuring poverty. Poverty traps. (Discuss articles 4*) --“The Economic Lives of the Poor” (Banerjee & Duflo, JEP 2007) --“Halving Global Poverty” (Besley & Burgess, JEP 2003) |
| 7 | Oct 4-8 W Oct 6 F 10/8 | Midterm 1 Preparation, Exam, and Solutions Review Midterm 1 in class MT1 Review of Solutions in class |
| 8 | Oct 11-15 | Population & Fertility (ch.9) --“The Population Problem” (Dasgupta, JEL 1995) --Demographic transition. (Discuss articles 5*) --Externalities within the household. |
| 9 | Oct 18-22 | Environment --Economic growth & environmental quality --Environmental externalities (Discuss articles 6*) Rural-Urban Interaction (ch.10) --Lewis model of surplus labor. --Harris-Todaro model of rural-urban migration. (Discuss articles 7*) |
| 10 | Oct 25-29 | Agricultural Markets (Ch. 11) --Market imperfections. -- Moral hazard. Adverse selection. |
| 11 | Nov 1-5 | Land & Labor Markets (Ch. 12: 12.1-12.3) --Sharecropping, Fixed rent, Fixed wage contracts. |
| 12 | Nov 8-12 | Topics in Labor Poverty, nutrition, and labor markets—Piece Rates (Ch. 13: 13.4) --“Women’s Work” (Mammen & Paxson) & “Child Labor” (Edmonds & Pavcnik) --Land Titling (Discuss articles 8*) |
| 13 | Nov 15-19 W Nov 17 F 11/19 | Midterm 2 Preparation, Exam, and Solutions Review Midterm 2 in class MT2 Review of Solutions in class |
| 14 | Nov 22-26 | No Class--Fall Break & Thanksgiving |
| 15 | 11/29-12/3 | Credit Markets (Ch. 14: 14.1, 14.2, 14.5) --Formal & Informal credit markets --Alternative credit policies (Discuss articles 9*) --“Microfinance Meets the Market” (Cull, Demirguc-Kunt, and Morduch, JEP 2009) |
| 16 | Dec 6-10 | Review for Final Exam In-class exercises |

TUE 12/14 Final Exam 7:30-10PM

Additional Readings

The more recent articles listed below can be accessed at

http://www.aeaweb.org/articles_search.php

For older articles, visit

<http://www.jstor.org/>

Banerjee, Abhijit and Esther Duflo. 2007. "The Economic Lives of the Poor." *Journal of Economic Perspectives*, 21(1): 141-167.

Besley, Timothy and Robin Burgess. 2003. "Halving Global Poverty." *Journal of Economic Perspectives*, 17(3): 3-22.

Cull, Robert, Asli Demirguc-Kunt, and Jonathan Morduch. 2009. "Microfinance Meets the Market." *Journal of Economic Perspectives*, 23(1): 167-192.

Dasgupta, Partha. 1995. "The Population Problem: Theory and Evidence." *Journal of Economic Literature*, 33(4): 1879-1902.

Edmonds, Eric and Nina Pavcnik. 2005. "Child Labor in the Global Economy." *Journal of Economic Perspectives*, 19(1): 199-220.

Mammen, Kristin and Christina Paxson. 2000. "Women's Work and Economic Development." *Journal of Economic Perspectives*, 14(4): 141-164.

Pritchett, Lant. 1997. "Divergence, Big Time." *Journal of Economic Perspectives*, 11(3): 3-17.

*See course website for discussion articles