

ARE/ECN 115A: Economic Development

University of California, Davis

Fall Quarter 2008

Travis Lybbert

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SS&H 2155

Office Hrs: * T 10:30am-noon

Th 8:30-10am

or by appointment

TR, 3:10-4:30pm

Everson 176

TAs: (All office hours held in SSH 1177 or 1178)

Michael Castelhana

mjcastelhana@ucdavis.edu

Office Hours: Th 1-3pm

Sections: Th

Joeri de Wit

jfdewit@ucdavis.edu

T 2-3pm, M 1-2pm

W

Christopher Rue

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W 10am-noon

T

The syllabus for this class functions as both a *contract* that outlines expectations and a *constitution* that specifies structure. During the first two weeks of the quarter, I reserve the right to modify the syllabus as needs or issues arise. After two weeks, any changes will require a 2/3 majority vote of registered students.

Course Description: This course examines the process of economic development, including the determinants of underdevelopment and poverty. We will focus on describing and understanding the many problems faced by developing countries and their citizens. Throughout the course, we will discuss policy implications of the topics we explore. We will begin with an overview of economic development and models economists use to understand the process of economic development and why some countries develop faster than others. We will then move to several domestic development issues including population growth, migration, education, agriculture, and environment.

Although official development assistance (i.e., "foreign aid") gets a lot of attention, most investment and economic growth is driven by the private sector. We will therefore focus our last few weeks on topics related to the broad theme of business and poverty.

Textbook: The textbook for this course is Todaro and Smith, Economic Development, 10th ed (2009). You will be required to read several chapters in this text, but are not required to purchase your own text. There are four copies on reserve in Shields Library. You may

* During my scheduled office hours, I am at your disposal. Barring personal emergencies, I will drop anything to address your concerns or questions during this time. Likewise, if you schedule an appointment outside these office hours to visit with me, I will ensure that you have my full attention during our time together. If you have not scheduled an appointment and would like to visit outside office hours, you are welcome to stop by my office directly, but I reserve the right to defer your visit to a later, mutually-agreeable time.

find the text website, http://wps.aw.com/aw_todarosmit_econdevelp_10/ , to be a helpful resource as well.

Other Readings: There will be other required readings in the course, which are available on the course website. In addition to these required readings, you should plan to read several other listed articles according to your personal interests. Be curious - read something that is not required!

Clickers: You are required to bring a Personal Response System "Clicker" to each class. These will enable broad participation in class and provide real time feedback on your comprehension. We will spend a few minutes during our second class session discussing how to configure and use clickers.

Course Website: You will access course materials, readings and other information via the course SmartSite website at through <https://smartsite.ucdavis.edu>. It is your responsibility to visit the site often. The TAs and I will often communicate with you via email using SmartSite. It is your responsibility to make sure your email address is properly specified in SmartSite so you receive these messages. We will use the Gradebook feature of SmartSite to record your scores in the class. Again, it is your responsibility to verify that these scores are properly recorded. I will post on this site lecture slides at least two hours before class and podcasts after class.

Sections: All students are required to attend one section session each week. These sections will be conducted by Michael, Joeri, and Chris and will be an integral part of the course. In addition to covering selected topics in greater detail than we can in lectures, these sections will enable students to work and discuss topics in smaller group settings. Tentative topics for each discussion section are included in the schedule below.

Grades: Your grade in this course will be based on total points earned as follows:

<u>Grade</u>	<u>Cutoff</u>
A	≥93%
A-	90
B+	87
B	84
B-	80
C+	77
C	74
C-	70
D	60
F	<60

Final grades may be curved, but your grade will never fall as a result of the curve. Total points will be calculated based on the following weights:

<u>Exercise</u>	<u>Weight</u>
Clicker Points	5%
Section Exercises (6-7)	15%
Policy Briefs (3)	15%
Problem Sets (2)	15%
MidTerm Exam	20%
Final Exam	30%

Clicker Points: During most classes throughout the quarter, you will earn Clicker Points by responding to questions using Personal Response System "Clickers". You will only earn Clicker Points during a given class session if you: (i) attend class, (ii) bring a clicker to use, (iii) configure the clicker properly, and (iv) respond to the clicker questions. You may earn additional points for correct answers. You are only authorized to use your own student ID with a clicker. Using another student's ID with a clicker in order to cover that student's absence is considered cheating and will be handled as a violation of the Code of Academic Conduct.

Section Exercises: In the weekly discussion section, the TAs will teach a brief module that complements the lectures of that week and introduces some relevant hands-on tools. During the second half of the section, you will work in groups of two or three to complete a few focused and related exercises.

Policy Briefs: You will work in pairs to write responses to three development dilemmas. These dilemmas will be assigned in class. You are expected to write thoughtful briefs that have been carefully revised and polished. These briefs will be graded according to both content and quality of writing.

Problem Sets: Problem sets will often require the use of MS Excel and data provided on the course website. You will work on problem sets with a partner and will submit a single set of problem solutions for your partnership.

Submitting Assignments: *Section exercises will be assigned in section and will be due in class the following Tuesday. Problem sets and policy briefs will be assigned in class and will be due in class a week or two later. I will NOT accept late or 'emailed' assignments. In the case of personal emergencies, students should contact me - in advance if possible - to request other arrangements.*

Exams: There will be a midterm exam and a comprehensive final exam. These will be very challenging and time-constrained exams. They will require steady, disciplined study throughout the quarter. We will hold a review session prior to both of these exams. While these exams will emphasize the material covered in class and section, other material from required readings is fair game. Make-up exams will not be offered unless prior notification is given of a defensible conflict with the regularly scheduled exam. No alternate final exam time will be offered to accommodate students with three finals in a 24 hour period.

Expectations Pact (adapted from Benton 2006)

I expect that you will...	You can expect that I will...
	Be professional and honorable
	Treat everyone with respect
Adhere strictly to the Code of Academic Conduct (CAC) at http://sja.ucdavis.edu/cac.html	Pursue the maximum punishment for CAC violations
Prepare for class by reading assignments before class	Treat you as an individual and value your input
Attend and be attentive in class and section	Manage the class in a professional manner, including beginning and ending class on time
Study and work at least 2 hours outside of class for every 1 hour in class	Prepare carefully for class and stick to the syllabus
Acknowledge that previous academic preparation will affect your performance in this class	Be fair and rigorous in evaluating your performance
Accept that your grade will reflect your performance in class, rather than your perception of your efforts	Base your grade on your performance and nothing else
Accept the consequences of your choices and actions without making excuses	Be available and attentive during office hours or appointments

Course Schedule: This sketch of topics, readings and assignments may change slightly as we proceed. Readings are from the Todaro and Smith (10th ed.) textbook unless otherwise specified. Readings not in the textbook are available on the course website. Section topics are tentative. Required readings are designated by *.

Date	Topics & Readings	Assignments	Section
R Sep 25	Introduction to Development Economics; Course Overview *Ch.1 Economics, Institutions, and Development *Rist (1999) "The making of a world system" Ch.3 in <i>The History of Development</i> Economist "Helping Africa help itself" June 20, 2005	<i>Policy Brief 1 assigned</i>	<i>Read on your own</i>
T Sep 30	*Ch.2 Comparative Development Millennium Development Goals Report 2007 Economist "Making Poverty History" December 14, 2004		Measuring Development I
R Oct 2	*Ch.3 Classic Theories of Economic Development *Easterly (2001) "Aid for Investment" Ch.2 <i>The Elusive Quest for Growth</i>		
T Oct 7	*Easterly (2001) "Solow's Surprise" Ch.3 <i>The Elusive Quest for Growth</i>	<i>Policy Brief 1 due</i>	
R Oct 9	*Ch.4 Contemporary Models of Development *Economist "The Growth Machine" May 16, 2002 Economist "The real digital divide" March 10, 2005	<i>Problem Set 1 assigned</i>	Growth Models
T Oct 14	*Easterly (2001) "Creative Destruction: The power of technology" Ch.9 *Economist "Of internet cafes and power cuts" February 7, 2008 Economist "Sachs: Helping the World's Poorest" August 14, 1999		Measuring Development II
R Oct 16	*Ch.5 Poverty, Inequality, and Development *Economist "The bottom 1.4 billion" August 28, 2008 Economist "Are we nearly there yet?" July 5, 2007		

T Oct 21	*Economist "Global Inequality: More or Less Equal?" March 11, 2004 Economist "Does Inequality Matter?" June 14, 2001 <i>Problem Set 1 due</i>	Review for Midterm (No Th section)
R Oct 23	MIDTERM EXAM	
T Oct 28	*Ch.8 Human Capital: Education & Health in Development (including Case Study) Economist "Healthcare in Poor Countries: For 80 Cents More", August 17, 2002	Human Capital
R Oct 30	*Economist "The starvelings" January 24, 2008 Economist "The maladies of affluence" August 9, 2007 <i>Policy Brief 2 assigned</i>	
T Nov 4	*Ch.9 Agriculture & Development Economist "Hunger: Always with Us" June 13, 2002	Agriculture
R Nov 6	*Economist "China's farmland: This land is my land" February 14, 2008 Schultz (1979) "The Economics of Being Poor" Nobel Lecture	
T Nov 11	<i>Veteran's Day - NO CLASS</i>	
R Nov 13	*Ch.10 Environment & Development Ch.17 Some Critical Issues for the 21 st Century Economist "Sustainable Development: A Few Green Shoots" August 29, 2002 <i>Policy Brief 2 due</i> <i>Problem Set 2 assigned</i>	Environment (No T section)
T Nov 18	*Economist "The Brazilian Rainforest: Asphalt in the Jungle" July 22, 2002 2006 Human Development Report: Power, poverty and water (Overview) 2007/08 HDR: Fight climate change: Human solidarity in a divided world (Overview)	
R Nov 20	Business & Poverty: Institutions & Markets *NY Times "What's Wrong With Profit?" November 13, 2006 *Ch.11 Development & the Roles of Market, State, and Civil Society Chertok et al. (2008) "The Funding Gap" Stanford Social Innovation review WSJ "Bill Gates Issues Call for Kinder Capitalism" January 24, 2008 Easterly, WSJ Op-Ed "Why Bill Gates Hates My Book" February 7, 2008 <i>Policy Brief 3 assigned</i>	Business & Poverty
T Nov 25	*Easterly (2006) "Planners Versus Searchers in Foreign Aid" <i>ADB</i> Easterly (2008) "Institutions: Top Down or Bottom Up?", <i>American Economic Review</i> Economist "A Matter of Trust" February 15, 2001 Economist "The Evolution of Everyday Life: Cooperation" August 12, 2004 <i>Problem Set 2 due</i>	No Section
R Nov 27	<i>Thanksgiving - NO CLASS</i>	
T Dec 2	Business & Poverty: Microfinance & Entrepreneurship *Ch.5 Case Study: The Grameen Bank *Tschoegl (2007) "McDonald's - Much Maligned, But an Engine of Economic Development", <i>Global Economy Journal</i> 7(4) Coyne and Leeson (2004) "The Plight of Underdeveloped Countries", <i>Cato Journal</i> 24(3) <i>Policy Brief 3 due</i>	Review for Final Exam
R Dec 4	Business & Poverty: "Bottom of the Pyramid" *Pralhad and Hart (2002) "The Fortune at the Bottom of the Pyramid" <i>strategy+business</i> 26 *Landrum (2007) "Advancing the "Base of the Pyramid" Debate" <i>Strategic Management Review</i> 1(1) The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid, WRI 2007 (Executive Summary)	
W Dec 10	COMPREHENSIVE FINAL EXAM	