

Fall 2015
University of North Carolina – Chapel Hill
Economics 465

Economic Development

Simon Alder

This syllabus contains important information about this class, including exam dates, class policies, and a reading list.

Office: 302 Gardner Hall

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Class Schedule:

Section#1 (465-001): 8:00-9:15 am TuTh, Gardner – Rm 308

Section#2 (465-002): 11:00-12:15 pm TuTh, Gardner – Rm 308

Course Description: This course presents the issues underlying vast differences in economic development among the nations of the world. The fundamental question is: why are some countries rich and others poor? In economic development we study issues that help us understand this question better. Topics in this course include the development gap; poverty and inequality; economic growth; government and institutions; the roles of education and health in development; market reforms; infrastructure; origins and consequences of war and civil conflict. The course employs elements of economic growth, political economy, institutional economics, labor economics and public finance to analyze causes of and find ways to address underdevelopment.

Required Textbook: *Development Economics* by Gerard Roland (1st edition). ISBN-10: 0-32-192397-9. Internet site with study guide:

http://wps.prenhall.com/bp_roland_devecon_1/239/61344/15704132.cw/index.html.

Course Webpage: The course webpage is located on Sakai (same webpage for both sections):

<https://sakai.unc.edu/portal/site/econ465.0012.fa15>

You should check the Sakai site on a regular basis for announcements, handouts, and assignments. You are responsible for any information I post on Sakai at least 24 hours before class. There is also a forum on the Sakai page that allows to ask questions about the course.

Midterm and Final Exams: We have one midterm exam and one cumulative final exam. You may not take exams at any time other than the scheduled exam time (see the Undergraduate Bulletin for rules on exceptions). The information below explains how I handle missed exams.

Missed Exams, Assignments, and Classes: I use a different policy with respect to valid and invalid reasons for missed exams, assignments, and classes. The valid reasons are a documented medical illness (document with physician's phone number), a death in your immediate family, or a documented mandatory court date. If you have a job interview on the day and time of a class and you

can document that it was not possible to schedule the interview differently, then you can send me an e-mail with the documentation at least one week in advance and I will decide if it is a valid reason for missing a class (this does not apply to the final exam). All other reasons are invalid. If you miss a midterm exam, assignment, or quiz for an invalid reason, you will receive a score of 0. If you miss a midterm exam for a documented valid reason, then I will substitute the raw score on the final exam for your missed midterm exam. If you miss an assignment or quiz for a valid reason then I will substitute the average score on the remaining assignments for your score on the missed assignment. If you miss the final exam, please refer to the Undergraduate Bulletin, <http://www.unc.edu/ugradbulletin> for rules on final examinations.

Calculators and Electronic Devices: You cannot use cells, programmable calculators, and calculators with graph display or wireless communication during exams. It is your responsibility to bring a valid calculator, pencil, and eraser to all exams.

Grading:

Grades are based on:

- Homework assignments (10%)
- Data problem set (10%)
- Quizzes (10%)
- Midterm exam (30%)
- Final exam (40%)

Each of these is described below.

Homework assignments (10%): I will announce homework assignments during our class and on Sakai. Homework assignments submitted after the due date will receive no credit. Each student needs to solve and submit the homework individually.

Data problem set (10%): Students are required to complete a problem set based on real data. The problem set will be described in a separate handout. Solutions handed in within one day after the due date will be marked down by 50%. Solutions handed in after that will receive no credit. You can work on the problem set in groups, but each student must submit solutions that clearly show how the answer to each question was derived.

Quizzes (10%): There will be quizzes in class that cover the content of previous lectures. These quizzes are not announced before class. We will use electronic polling devices to answer quiz questions. Using other students' devices or allowing others to use your device is a violation of the Honor Code. Devices must not be used to view notes or other course material during an ongoing quiz. Please follow the instructions given in class for registering your device. The quiz with the lowest score will be dropped and the average over the remaining quizzes will be your score on this part of the grade.

Exams (70%): There will be one midterm exam (worth 30%) and a cumulative final exam (worth 40%). The exams consist of multiple choice questions, analytical questions, and short essay questions.

Participation: I encourage students' participation in discussions. Outstanding participating in class discussions can affect your overall grade (after curving) in your favor.

I do not offer extra credits on an individual basis. I will never offer one student an opportunity that

I do not provide to the entire class.

Grading Scale: The overall grade will be curved so that the grades have a similar distribution to previous versions of this class.

Grades of IN (Incomplete) and AB (Absent from the Final Exam): Please refer to the Undergraduate Bulletin <http://www.unc.edu/ugradbulletin> for rules regarding these grades.

Academic Honesty:

- It is your responsibility to avoid any activity that suggests plagiarism, cheating on examinations, unauthorized collaboration, falsification, and multiple submissions.
- Specifically, talking, passing notes, having crib sheets, using a programmable calculator, or having books or notebooks open during a test are among the activities sufficient to justify a charge of a major violation of the UNC Honor Code.
- Any work, in whole or part, taken from the internet without properly referencing the URL is considered plagiarism.
- Please refer to the University Honor Code (<http://honor.unc.edu/>).

Electronic Devices: Unless explicitly authorized, you are not allowed to use laptop computers, tablet computers, smartphones, or cellphones during class.

Misc. Policies: If you must miss class, please get notes from a classmate and check Sakai to see what you missed. Note that if you do not have a valid excuse, then missing a quiz during class will imply a score of 0 on this quiz.

E-Mail Policy: I do not answer questions on course content via e-mail. Please use the forum on Sakai to ask questions or come to the office hours.

Course Outline with Reading:

My classroom presentation sometimes differs from that in the textbook. In this case, you are responsible for the material that I have covered in class. You are not responsible for the material that was not covered in class, except when stated otherwise. A preliminary course outline and reading list can be found below. The outline may be updated during the semester and additional reading may be posted on Sakai.

The Development Gap

Roland, Chapter 1

Poverty and Inequality

Roland, Chapter 2

Banerjee, Abhijit V., and Esther Duflo, 2007. "The Economic Lives of the Poor", *Journal of Economic Perspectives*, 21(1): 141–168, <http://www.jstor.org/stable/30033705>

Ray, Debraj, 2010. "Uneven Growth: A Framework for Research in Development Economics," *Journal of Economic Perspectives* 24 (3): 45–60, <http://www.jstor.org/stable/20799154>.

Population Growth

Roland, Chapter 3

Economic Growth

Roland, Chapter 4

Jones, Charles I., 2015. "The Facts of Economic Growth". No. w21142. National Bureau of Economic Research, <http://www.nber.org/papers/w21142.pdf>

Structural Change and Development Strategies

Roland, Chapter 5

China's Growth and Transformation

See slides

Institutions and Economic Development

Roland, Chapter 7

Markets and Hierarchies

Roland, Chapter 8

Political Institutions

Roland, Chapter 9

Legal and Fiscal Institutions

Roland, Chapter 10

Conflict

Roland, Chapter 20

Pillars of Prosperity

See slides

Transportation Infrastructure and Development

See slides

The Role of Credit Markets in Development

Roland, Chapter 15

Randomization in Development Economics

See slides