

Spring 2014
University of North Carolina – Chapel Hill
Economics 465

Economic Development

Dr. Klara Peter

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

Office: 306C Gardner Hall

Office Hours: 2:00-3:30 pm Tuesdays or by appointment

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Graduate Teaching Assistant: Ning Fu; funing1988@gmail.com

Class Schedule:

Section#1 (465-002): 9:30-10:45 pm TuTh, Gardner – Rm 309

Section#2 (465-003): 11:00-12:15 pm TuTh, Gardner – Rm 309

Course Description: This course presents the issues underlying vast differences in development among the nations of the world. The course employs elements of economic theories of growth, political economy, institutional economics, labor economics and public finance to analyze causes of and prescribe cures for underdevelopment. Topics include development gap; poverty, inequality, and population growth; theories of economic growth; the role of government and institutions; property rights; the roles of education, health, and migration in development; market reforms; trade policies, foreign investment and aid.

Required Textbook: *Development Economics* by Gerard Roland (1st edition). ISBN-10: 0-32-192397-9. Internet site: http://wps.prenhall.com/bp_roland_devecon_1/239/61344/15704132.cw/index.html. There is a free online study guide at this website.

Suggested Reading Book: *The Development Economics Reader*, edited by Giorgio Secondi. ISBN: 978-0-415-77157-3

Course Webpage: The course webpage is located on Sakai. You should check my Sakai site on a regular basis for announcements, handouts, and quizzes. You are responsible for any information I post on Sakai at least 24 hours before class.

Exam Schedule:

Midterm exam:

Both sections Tuesday, March 4, during the class time, Gardner – Room 309

Final exam (Cumulative):

Section#1 (465-002): Friday, May 2, 8:00-10:00 am, Gardner – Room 309

Section#2 (465-003): Tuesday, April 29, 12:00-2:00 pm, Gardner – Room 309

You may NOT take exams at any time other than the scheduled exam time (see the Undergraduate Bulletin, <http://www.unc.edu/ugradbulletin/pdf/2011-12.pdf> (p.387-388) for rules on exceptions). The information below explains how I handle any missed exams.

Missed Exams: I use a different policy with respect to valid and invalid reasons for missed exams. The valid reasons are documented medical illness that prevents you from taking the exam (with physician's phone number), a death in your immediate family, or a documented mandatory court date. All other reasons are invalid. For example, being confused about the date or time of the exam, over-sleeping, or being out of town are not valid excuses for missing any exam. If you miss a midterm exam for an invalid reason, you will receive a score of 0 for the missed exam. If you miss a midterm exam for a documented valid reason, I will substitute the raw score on the final exam for your missed midterm exam. If you miss the final exam, please refer to the Undergraduate Bulletin, <http://www.unc.edu/ugradbulletin> for rules on final examinations.

Calculators: You cannot use programmable calculators and cells during exams. It is your responsibility to bring a valid calculator, pencil, and eraser to all exams.

Grading:

Grades are based on:

- Online quizzes and homework assignments (10%)
- Paper assignment (20%)
- In-class debate (5%)
- Participation (5%)
- Midterm exam (25%)
- Final exam (35%)

Each of these is described below.

Online quizzes and homework assignments (10%): I will give between 6 and 10 online quizzes and short homework assignments. I will announce these quizzes and assignments during our class and on Sakai. The quizzes will be posted on Sakai by the end of the day on Thursday (around 5:00 pm), and must be completed by 9:00 am on Tuesday morning. You will have at least four full days to take online quizzes. You can have only one attempt that could not last more than 3 hours. Missed online quizzes will be scored as a zero; your lowest score will be dropped, and all remaining scores will be averaged for this part of your grade. Don't wait until the last minute to complete the online quizzes – computer problems are NOT an excuse for missing an online quiz. No makeup quizzes will be given under ANY circumstances. Homework assignments submitted after the due date will receive no credit.

Paper assignment (20%): Students are required to write a research paper based on real data analysis and statistical evaluation of a development economic policy. Assignments will be described in a separate handout. The paper must be submitted by the due date. The paper handed in after the due

date but before the week of final examination will be marked down by 50%. Papers handed in during or after the week of final examination will receive no credit.

In-class debate and participation (10%): Based on your research paper, we will have an in-class debate. It will be described in a separate handout. I also encourage and reward students' participation in numerous discussions. On occasion, I will cold-call individual students to seek their opinion on the current discussion topic. From time to time, I will be checking attendance during the class.

Exams (60%): There will be one midterm exam (worth 25%) and a cumulative final exam (worth 35%).

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: I do not "curve" grades into a bell-shaped distribution, but will add extra points to all exam scores in order to bring the average grade on any exam up to a C (75). The following grading scale will be employed:

92 and above	A	80 – 81	B-	68 – 69	D+
90 – 91	A-	78 – 79	C+	60 – 67	D
88 – 89	B+	72 – 77	C	59 and below	F
82 – 87	B	70 – 71	C-		

Your grade will be determined by calculating the percentage of the possible points that you earned during the semester. Any fraction greater than or equal to 0.5 rounds up, all others round down. For example, a final weighted average of 81.5 rounds to 82, which is a B; 81.4 rounds to 81, which is a B-.

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 Internet without properly referencing the URL is considered plagiarism. In your papers, you must acknowledge phrases or sentences written by someone else.
- Please refer to the University Honor Code (<http://honor.unc.edu/>).

Misc. Policies: Turn off your cell phones when class begins. If you must miss class, get notes from a classmate and check Sakai to see what you missed.

Course Outline with Reading:

I am planning to change the outline this year because of the new textbook. All the changes will be posted on Sakai. My classroom presentation sometimes differs from that in the textbook. In this case, you are responsible for the material as I have covered it in class. You are not responsible for the material that was not covered in class.

The Development Gap

Roland, Chapter 1

World Bank, "New Directions in Development Thinking," *World Development Report 1999-2000*, <http://www.rrojasdatabank.info/wdr00/intro.pdf>
(same as Reader, chapter 1: New Directions in Development Thinking by World Bank)

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>
(same as Reader, chapter 14: The Economic Lives of the Poor by Abhijit Banerjee and Esther Duflo)

Besley, Timothy, and Robin Burgess, 2003. "Halving Global Poverty," *Journal of Economic Perspectives*, 17(3): 3-22, <http://www.jstor.org/stable/3216820>

Birdsall, Nancy, 2007. "Inequality Matters," *Boston Review*.
<http://www.bostonreview.net/BR32.2/birdsall.php>
(same as Reader, chapter 13: Inequality Matters by Nancy Birdsall)

Ray, Debraj, 2010. "Uneven Growth: A Framework for Research in Development Economics," *Journal of Economic Perspectives* 24 (3): 45–60.

Population Growth

Roland, Chapter 3

Cutler, David, Angus Deaton, and Adriana Lleras-Muney. 2006. "The Determinants of Mortality," *Journal of Economic Perspectives*, 20(3): 97-120,
<http://www.jstor.org/stable/30033668>.

Murtin, Fabrice, 2013. "Long-term Determinants of the Demographic Transition: 1870-2000," *Review of Economics and Statistics*, 95(2): 617-631
http://www.mitpressjournals.org/doi/pdf/10.1162/REST_a_00302

Economic Growth

Roland, Chapter 4

Barro, Robert. 1991 “Economic Growth in a Cross Section of Countries,” *The Quarterly Journal of Economics* 106(2): 407-443

<http://www.econ.nyu.edu/user/debraj/Courses/Readings/BarroGrowth.pdf>

Rodrik, Dani. 2011. “Unconditional Convergence,” NBER Working Paper.

<http://www.nber.org/papers/w17546.pdf>

Other topics may include:

Structural Change and Development Strategies

Multiple Equilibria in Economic Development

Institutions and Economic Development

Market Development

Property Rights and Efficiency

Regulatory Institutions and Taxes

Health Care Investment

Education Investment

Corruption

Conflict

Foreign Finance, Investment, and Aid

Macroeconomic Policy and Debt Burden

International Trade and Development Strategy