

Spring 2017
University of North Carolina – Chapel Hill
Economics 465

Economic Development

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This syllabus contains important information about this class, including content, grading, class policies, and a preliminary reading list.

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Class Schedule:

Econ465-002: 9:30 am - 10:45 am TuTh, Phillips - Rm 0208

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:

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 (this does not apply to the final exam). All other reasons are invalid. If you miss a midterm exam or

an assignment 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 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: The overall grade for this course consists of the components below, with weights in brackets. The overall grades will be curved.

Homework assignments (20%)

Data problem set (10%)

Midterm exam (30%)

Final exam (40%)

Each of these is described below.

Homework assignments (20%): I will announce homework assignments during our class and on Sakai. Homework assignments submitted after the due date will receive no credit. Unless stated otherwise, each student needs to solve and submit the homework individually. The homework with the lowest score will be dropped and the average over the remaining homework assignments will be your score on this part of the grade.

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.

Exams (70%): There will be one midterm exam (worth 30% of the overall grade) and a cumulative final exam (worth 40% of the overall grade). 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.

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 cell phone or 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. An exception is when we occasionally use poll everywhere for short quizzes (not graded).

Misc. Policies: If you must miss class, please get notes from a classmate and check Sakai to see what you missed.

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.

Office Hour: If you would like to come to office hour, then please sign up for a 15-minute meeting using the link below. Meetings can be scheduled until 24 hours before the start of the meeting and up to seven days in advance. Please don't sign up for more than one meeting per day. If no more meeting times are available, then please contact me by e-mail. I will add additional meeting times before the exams. <https://calendly.com/salder/15min>.

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>

Population Growth

Roland, Chapter 3

Production and Economic Growth

Roland, Chapter 4

Jones, Charles I., 2015, "The Facts of Economic Growth". <http://web.stanford.edu/~chadj/facts.pdf> (Sections 1-2.1)

Erik Brynjolfsson, 2013, "The key to growth? Race with the machines"

https://www.ted.com/talks/erik_brynjolfsson_the_key_to_growth_race_em_with_em_the_ma chines?utm_source=tedcomshare&utm_medium=referral&utm_campaign=tedsread

Robert Gordon, 2013, “The death of innovation, the end of growth”

http://www.ted.com/talks/robert_gordon_the_death_of_innovation_the_end_of_growth?utm_source=tedcomshare&utm_medium=referral&utm_campaign=tedsread

Productivity, Institutions, and Growth

Roland, Chapter 4

Jones, Charles I., 2015, “The Facts of Economic Growth”.

<http://web.stanford.edu/~chadj/facts.pdf> (Sections 1-2.1)

‘Why Nations Fail’, by James Robinson, TEDxAcademy (Oct 7, 2014)

<http://tedxtalks.ted.com/video/Why-nations-fail-|-James-Robins>

‘What Makes Countries Rich or Poor?’, by Jared Diamond, NYR, June 7, 2012. Book review of ‘Why Nations Fail: The Origins of Power, Prosperity, and Poverty’, by Daron Acemoglu and James A. Robinson, 2012.

<http://www.nybooks.com/articles/archives/2012/jun/07/what-makes-countries-rich-or-poor/>

Structural Change and Development Strategies

Roland, Chapter 5

China’s Growth and Transformation

See slides

Fabrizio Zilibotti, 2016, “Growing and Slowing Down Like China”

Transportation Infrastructure and Development

See slides

African Economic Development and Lessons from Asia

See slides

International Trade and Development

Roland, Chapter 6

The Economist, 2016, “Trade in the balance: Globalisation can make everyone better off. That does not mean it will”

Institutions and Economic Development

Roland, Chapter 7 & 8

The Economist, 2014, "Governing the oceans: The tragedy of the high seas"

Political Institutions

Roland, Chapter 9

The Economist, 2015, “The wise man of the East”.

Civil Conflict

Roland, Chapter 20

Berman, Couttenier, Rohner, Thoenig, 2014, “This Mine is Mine! How Minerals Fuel Conflicts in Africa”, CPER Discussion Paper 10089.

The Economist, 2015, “Commodities in Africa: How natural resources breed violence”.

Elites and Conflict

See slides

United Nations, “Rwanda: A Brief History of the Country”

<http://www.un.org/en/preventgenocide/rwanda/education/rwandagenocide.shtml>

Pillars of Prosperity

See slides

The Role of Credit Markets in Development

Roland, Chapter 15

Evidence from Randomized Control Trials

See slides