



University of North Carolina at Chapel Hill
Department of Economics
ECON 465 - 001: Economic Development
Fall 2022

Instructor: Dr. Geetha Vaidyanathan
Class Meeting Time: M&W: 10:10 a.m. to 11:25 am.
Classroom: New West 219
Office: 200H Gardner Hall
E-Mail: geethav@email.unc.edu
Office Hours: Tuesdays and Thursdays: 9:00 a.m. to 10:30 a.m.
Mondays: 1:30 p.m. to 4:30 p.m.
Please take appointment for a meeting at other times.
Walk-ins are welcome but please do not come during the half hour before class time.

Pre-requisite: C or higher grade in ECON 400 and ECON 410
Office Hours: **By appointment only: Sign-up in calendly.com/ggggvvvv**
Tuesdays: 10:00 am to 12:00 pm
Thursdays: 2:00 pm to 4:00 pm

Objective of the course:

More than two billion people live on less than \$2 a day in developing nations. We will discuss the problems faced by the poor in South Asia, Sub-Saharan Africa, Latin America and other such regions in the world. Poverty, income inequality, human development, health and education issues, Millennium Development Goals, population, underdeveloped capital markets and the consequences for economic growth, microfinance, environmental issues and migration are some of the topics covered in the course. We will also discuss the role of international institutions such as the World Bank, United Nations, and International Monetary Fund to promote economic development in these regions. The tools learned in this course will be useful for understanding the economic problems that exist in developing countries as well as to analyze developmental policy pertaining to these countries.

IDEAs in Action Curriculum: This course meets the **Global Understanding and Engagement** focus capacity of the IDEAs in Action Curriculum.

Students study and engage with global processes shaping the world and its peoples, including those beyond the North Atlantic region (United States, Canada, and Western Europe). They develop deep knowledge of historic or contemporary roles and differential effects of human organizations and actions on global systems.

Questions for Students

1. What forces connect and distinguish the experiences of peoples, societies, and human organization around the world?
2. How can I understand and compare differing worldviews?
3. What connections and differences exist between particular worldviews, experiences, societies, or power structures?
4. What ideas, approaches, and international sources allow scholars to compare societies?

Learning Outcomes

1. Classify and analyze diverse historical, social, and political exchanges that shape nations, regions, and cultural traditions of the world.
2. Translate among contrasting civic cultures, social values, and moral commitments that characterize differences among peoples and societies, including those beyond the North Atlantic region.
3. Assess ways that political and economic institutions shape contemporary global relations.
4. Explain human and environmental challenges that transcend national borders.

Recurring Capacities

Focus capacity classes sustain the **recurring capacities** of inquiry that guide the general education mission. As appropriate to the course's topic, each class should:

- Pose problems and questions that require systematic thinking about evidence, argument and uncertainty;
- Consider its content in the context of human difference between and within societies; the full range of legitimate debate in its field; and/or change over time
- Require
 - Writing totaling at least 10 pages in length, or the intellectual equivalent.
 - Presenting material to the class, small groups, or the public through oral presentations, webpages, or other means that enable corroboration of fact and argument.
 - Collaborating in pairs or groups to learn, design, solve, create, build, research or similar.

Textbook:

1. "Economic Development" by Michael P. Todaro and Stephen C. Smith, Thirteenth Edition. The twelfth and eleventh edition are good substitutes. The cost of the e-textbook is about \$42 at <https://www.vitalsource.com/products/economic-development-michael-todaro-stephen-c-v9781292291208>
2. "Poor Economics: A Radical Rethinking of The Way to Fight Global Poverty" by Abhijit V. Banerjee and Esther Duflo. UNC libraries has both hardcopies and ebook.

Highly recommended books to read for enrichment:

- Hans Rosling (Author), Anna Rosling Rönnlund (Author), Ola Rosling (Author) “Factfulness: Ten Reasons We're Wrong About the World-- and Why Things Are Better Than You Think”.
- Mohammed Yunus. “A World of Three Zeros: The New Economics of Zero Poverty, Zero Unemployment, and Zero Net Carbon Emissions”
- Mohammed Yunus, “Building Social Business: The New Kind of Capitalism That Serves Humanity's Most Pressing Needs”
- Dani Rodrik, “One Economics, Many Recipes: Globalization, Institutions, and Economic Growth”
- Paul Collier. “The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It”.
- Dambisa Moyo. “Dead Aid: Why Aid Is Not Working and How There Is a Better Way for Africa”.
- D. Landes. “The Wealth and Poverty of Nations: Why Some Are So Rich & Some So Poor”
- Jeffrey Sachs. “The End of Poverty: Economic Possibilities for Our Time”.
- William Easterly. “The White Man's Burden”
- Joseph E. Stiglitz. “Globalization and Its Discontents”

Policy Brief: There will be a written assignment in the course. This will be a group project and your group will be writing a “Policy Brief”. The policy brief will be a concise summary of a specific issue in a developing country along with a recommendation of a policy to deal with the issue. I will be providing specific guidelines in a separate handout. The policy brief will be due on November 7, 2022.

Tests: There will be one midterm exam and one final exam. A make-up for the midterm exam will be given within a week after the scheduled exam date for students with a documentation for an excusable absence. Alternatively, the student can opt to get the weight of the final exam increased. If a student misses an exam that cannot be excused, the student will be awarded zero points. The exams will consist of multiple-choice questions, problems, graphs, and short answer questions. A final exam will be given according to the University final exam schedule.

Homework Assignments: I will be assigning a total of six problem sets during the session. The best four assignment grades will be used for determining the final grade for homework. These are due on www.gradscope.com. Late submission WILL NOT be accepted. **Assignments submitted under my office door, in my mailbox or via email will not be accepted.** Students may cooperate on assignments but each student must hand in an individual copy of the assignment that is not a duplicate of another student or source. **If duplicate copies appear, all involved students will be given a zero on the assignment.**

Class Participation: We will be discussing many readings throughout the course. Hence, class attendance and class participation are very important. I will be taking attendance every day. You

can miss up to FIVE days without losing points for attendance and participation. Any absences after that will result in a pro-rated penalty. Attendance alone is not sufficient to earn participation grades. You will have to come prepared with readings and contribute to class discussions.

Grading: Grades will be determined using the weights and scale defined below:
Weights to be used to determine grades:

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|-----------------------|-------|
| Policy Brief: | 10% |
| Homework Assignments: | 10% |
| Class Participation | 7.5% |
| Test 1: | 30% |
| Final exam: | 42.5% |

Grading Scale:

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|---------------------------------|----|
| At least 93% | A |
| At least 90% but less than 93%: | A- |
| At least 87% but less than 90%: | B+ |
| At least 83% but less than 87% | B |
| At least 80% but less than 83%: | B- |
| At least 77% but less than 80%: | C+ |
| At least 73% but less than 77%: | C |
| At least 70% but less than 73%: | C- |
| At least 67% but less than 70%: | D+ |
| At least 60% but less than 67%: | D |
| Less than 60%: | F |

Grades are earned through the percentage point schedule given above. **No extra credit** of any kind is given to adjust grades at the end of the semester. Percentages are calculated using a spreadsheet software package and results are posted rounded to the first decimal place. Grades are assigned based on these results according to the above scale. **There will be NO “rounding up” to the next grade level.**

Calculators: You will not be allowed to use programmable calculators during exams. Please make sure that you have a basic calculator before your first exam. No exceptions.

Academic Integrity: All students are expected to adhere to the Honor Code (<http://instrument.unc.edu>). Any violation will result in an F for the course, and other sanctions may apply.

Counseling and Psychological Services: CAPS is strongly committed to addressing the mental health needs of a diverse student body through timely access to consultation and connection to clinically appropriate services, whether for short or long-term needs. Go to their website: <https://caps.unc.edu> or visit their facilities on the third floor of the Campus Health Services building for a walk-in evaluation to learn more.

Accessibility Resources & Services: UNC-Chapel Hill facilitates the implementation of reasonable accommodations for students with learning disabilities, physical disabilities, mental health struggles, chronic medical conditions, temporary disability, or pregnancy complications, all of which can impair student success. See the ARS website for contact and registration information: <https://ars.unc.edu/about-ars/contact-us>

Diversity Policy: I value the perspectives of individuals from all backgrounds reflecting the diversity of our students. I broadly define diversity to include race, gender identity, national origin, ethnicity, religion, social class, age, sexual orientation, political background, and physical and learning ability. I strive to make this course an inclusive space for all students. Please let me know if there is anything I can do to improve, I appreciate suggestions.

Title IX Resources: Any student who is impacted by discrimination, harassment, interpersonal (relationship) violence, sexual violence, sexual exploitation, or stalking is encouraged to seek resources on campus or in the community. Please contact the Director of Title IX Compliance (Adrienne Allison – Adrienne.allison@unc.edu), Report and Response Coordinators in the Equal Opportunity and Compliance Office (reportandresponse@unc.edu), Counseling and Psychological Services (confidential), or the Gender Violence Services Coordinators (gvscc@unc.edu; confidential) to discuss your specific needs. Additional resources are available at safe.unc.edu.

Regrade Policy: Please check your grades on Sakai and gradescope periodically. Any grade related issues have to be settled **within a week** after the test or homework is graded. Regrade requests have to be submitted in gradescope. Changes will not be made after a week.

Miscellaneous:

1. Regular attendance is required for understanding the material and doing well in the course.
2. **Please come prepared with readings so that you can participate in class discussions. I will not be providing answers for discussion questions.**
3. Please check *Announcements* in Sakai regularly for updates on readings, homework help sessions and other announcements.
4. I will not answer questions on the course material (questions on homework problems, exercises, etc.) via email. Please come to my office with your questions.
5. If you miss a class, it is your responsibility to catch up.
6. Please check your grades on Gradescope periodically. Any grade related issues have to be settled **within a week** after the test or homework is returned. Please use gradescope to submit regrade requests. Changes will not be made after a week.

The following is a tentative schedule. My class presentation might sometimes be different on some topics from the textbook and might not cover all the topics in a particular chapter. I might also include information from other sources. You are responsible for all topics covered in class. However, you are not responsible for topics that are in the textbook but not covered in class.

Please expect to be assigned additional readings throughout the semester which will be posted on Sakai. **The professor reserves the right to make changes to the syllabus, including assignment due dates and test dates.** These changes will be announced as early as possible. * implies suggested (but not required) additional readings to enhance your knowledge. Some of these might become required readings if time permits.

| Dates | Topics and Additional Readings. Please note that readings with * are suggested but not required readings. | Readings from textbook and “Poor Economics” |
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| 08/15/2022 08/17/2022 | <u>Introduction</u> UN Secretary-General’s SDG Progress Report Proposes Actions to “Rescue” SDGs, 25 May 2022. https://sdg.iisd.org/news/secretary-generals-sdg-progress-report-proposes-actions-to-rescue-sdgs/ | <u>Todaro and Smith</u> Chapter 1 |
| 08/22/2022 08/24/2022 | <u>Economic Growth and Economic Development</u> Additional Readings: Wolfers, Justin (2009). “Another Perspective on the Human Development Index”. <i>New York Times Blog: Freakonomics</i> . Response from HDRO’s Head of research Francisco Rodriguez. June 1, 2009. https://freakonomics.com/2009/06/another-perspective-on-the-human-development-index/ Technical Notes to Calculate Human Development Index | <u>Todaro and Smith</u> Chapter 2: Sections 2.1, 2.2, 2.3, 2.6. |
| 08/29/2022 | <u>Introduction to Economic Lives of the Poor</u> | <u>Poor Economics</u> Chapter 1 |
| 08/29/2022 08/31/2022 09/07/2022 | <u>Poverty and Income Inequality</u> *Abhijit Banerjee and Ester Duflo, "The Economic Lives of the Poor," <i>Journal of Economic Perspectives</i> , Vol. 21, Number 1, Winter 2007, pages: 141-167. * Besley, Timothy, and Robin Burgess, 2003. “Halving Global Poverty,” <i>Journal of Economic Perspectives</i> , 17(3): 3-22 | <u>Todaro and Smith</u> Chapter 5 <u>Poor Economics</u> Chapter 2 |
| 09/12/2022 09/14/2022 | <u>Economic Growth Theories</u> | <u>Todaro and Smith</u> Chapter 3 |

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| | Additional Readings: The Post-Washington Consensus: Development after the Crisis – Working Paper 244, Center for Global Development. http://www.cgdev.org/publication/post-washington-consensus-development-after-crisis-working-paper-244 | |
| 09/19/2022 09/21/2022 09/28/2022 | Contemporary Growth Theories in Economic Development Additional Readings: Dani Rodrik. “Diagnostics before Prescription,” <i>Journal of Economic Perspectives</i> , Volume 24, Number 3, Summer 2010, pages 33-44. | <u>Todaro and Smith</u> Chapter 4 |
| 10/03/2022 | Test 1 | |
| 10/05/2022 10/10/2022 | <u>Population Growth and Economic Development</u> *David Cutler, Angus Deaton, and Adriana Lleras-Muney. 2006. “The Determinants of Mortality,” <i>Journal of Economic Perspectives</i> , Volume 20, Number 3, pages 97-120. | <u>Todaro and Smith</u> Chapter 6 <u>Poor Economics</u> Chapter 5 |
| 10/12/2022 10/17/2022 | <u>Urbanization and Rural-Urban Migration</u> Additional Reading: “Linkages between Internal and International Migrations: Policy Implications for Development” by <i>Claudia Natali, International Organisation for Migration (IOM), Thailand-Office</i> presented at the Conference on Urban-Rural Linkages and Migration September 16 th 2009, Plenary Session 1 | <u>Todaro and Smith</u> Chapter 7: 7.1, 7.4, 7.5, 7.6, 7.7 |
| 10/19/2022 10/24/2022 | <u>Human Capital: Health and Education</u> *Edmonds, Eric V. and Nina Pavenik, 2005. “Child Labor in the Global Economy,” <i>Journal of Economic Perspectives</i> , Volume 19, Number 1, Winter 2005, pages 199-220. *Esther Duflo, Pascaline Dupas, Michael Kremer, and Samuel Sinei, "Education and HIV/AIDS Prevention: Evidence from a randomized evaluation in Western Kenya," <i>World Bank Policy Research Working Paper #4024, June 2006.</i> *Kremer, Michael (2002). “Pharmaceuticals and the Developing World,” <i>Journal of Economic Perspectives</i> | <u>Todaro and Smith</u> Chapter 8 <u>Poor Economics</u> Chapters 3 and 4 |

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| | 16(4). *Dupas, Pascaline (2011). "Health Behavior in Developing countries". Annual Review of Economics Vol. 3, pp. 425-449, September 2011. | |
| 10/26/2022 10/31/2022 | <u>Agricultural Transformation and Rural Development</u> Additional Readings: "Buying Farmland Abroad: Outsourcing's third wave", <i>The Economist</i> , May 21, 2009 *IFPRI (2003) "How much does it hurt? The impact of agricultural trade policies on developing countries". | <u>Todaro and Smith</u> Chapter 9 |
| 11/02/2022 11/07/2022 | <u>The Environment and Development</u> * Hardin (1965) "The Tragedy of the Commons" Science 162 | <u>Todaro and Smith</u> Chapter 10 |
| 11/09/2022 11/14/2022 | <u>Lending, Saving and Entrepreneurship</u> * Morduch "The Microfinance Promise." Journal of Economic Literature 37(4):1569-1614, 1999 * Robert Cull, Asli Demirgüç-Kunt and Jonathan Morduch (2009). "Microfinance Meets the Market". February 2009. Journal of Economic Perspectives 23(1), Winter: 167-192. | <u>Poor Economics</u> Chapters 6, 7, 8 and 9 |
| 11/16/2022 11/21/2022 11/28/2022 | <u>International Trade Theory and Development Strategy</u> Stiglitz, Joseph, 2006. "Social Justice and Global Trade" http://pragmatos.net/2006/03/19/stiglitz-social-justice-and-global-trade/ | <u>Todaro and Smith:</u> Chapter 12 |
| 11/30/2022 | Conclusion and Wrap Up | <u>Poor Economics</u> Chapter 10 |
| 12/08/2022 | FINAL EXAM AT 8:00 AM | |