

ECONOMICS 446: Economic Development, Spring 2010

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Office: Holmstedt Hall 276

Class Meetings: 2 pm, TTh, HH280.

Office Hours: 3:30 – 4:30 pm, TTh or by appointment

Prerequisites: Econ 200 and 201 or instructor's consent

Materials: Todaro and Smith, *Economic Development*, Addison Wesley, 2009.

UNDP, *Human Development Report 2004*, or later Available at
<http://hdr.undp.org/reports/global/2004/>

Selected Articles (see Course Outline), available on e-reserve through the library.

This course surveys the major models of development as well as development issues and strategies. There is a text as well as critical readings, and students are required to read widely and immerse themselves in the controversies and the contending schools of thought. Is under-development an innate or original state or have historical processes created it? Is economic growth the best means to escape poverty and under-development? What is the role of the state in developing human capabilities? Does foreign assistance assist? These are some of the themes and issues that are explored in this course.

This course meets the Foundational Studies Global Perspectives and Cultural diversity learning objectives.

A. Global Perspective Learning Objectives (GPLO): students will:

1. Demonstrate knowledge of cultures and worldviews;
2. Identify social, economic, political, and environmental inter-relationships between cultures and worldviews;
3. Use multiple lenses such as race and ethnicity, gender, social class, regional culture, and religion to evaluate one's culture in comparison to those studied; and
4. Articulate how the social construction of culture and worldviews shapes contemporary social and political issues.

B. Foundational Studies Learning Objectives (FSLO): students will:

1. Locate, critically read, and evaluate information to solve problems;
2. Critically evaluate the ideas of others;
3. Apply knowledge and skills within and across the fundamental ways of knowing (natural sciences, social and behavioral sciences, arts and humanities, mathematics, and history);

4. Demonstrate an appreciation of human expression through literature and fine and performing arts;
5. Demonstrate the skills for effective citizenship and stewardship;
6. Demonstrate an understanding of diverse cultures within and across societies;
7. Demonstrate the skills to place their current and local experience in a global, cultural, and historical context;
8. Demonstrate an understanding of the ethical implications of decisions and actions;
9. Apply principles of physical and emotional health to wellness; and
10. Express themselves effectively, professionally, and persuasively both orally and in writing.

C. Skill and Applied Learning Objectives (SALO): The aim is to develop the following:

1. Critical thinking skills.
2. Information literacy skills.
3. Writing and analytical skills.

This course directly addresses all of objectives of FSLO (with the exception of 4 and 9); all of GPLO and all of SALO (see annotated outline). This is done by:

1. Locating the debate about development and under-development within a broader historical context and narrative, including the implications to development of colonialism and slavery (Topic 4 in Course Outline): FSLO & GPLO.
2. Understanding the rival conceptions of development and their implication for how we view the world (Topic 2): FSLO & GPLO.
3. Critically evaluating of the role of markets, vis-à-vis issues of hunger and famine (discussed within population); health; education and rural inequality (discussed within agricultural development) (Topics 6, 7 & 9): FSLO & GPLO.
4. Using economic analysis to study the reasons and implications of migration and the factors underlying economic growth (6 & 8): FSLO & GPLO.
5. Critically analyze the role of foreign aid (Topic 12): FSLO & GPLO.
6. Writing reaction papers as well as a term-paper (concerns all topics): SALO.
7. Students presenting on issues or readings and giving feedback to other presenters (concerns all topic): SALO.

Laptops and Texting: Students who wish to use their laptops to take notes are encouraged to do so; surfing the web is not. Students who are detected doing so will be asked to leave the lecture. Likewise, if you need to text, please do so outside of class; you will be asked to leave if you are seen texting in class. Ringing cell phones will be confiscated and sold, with the proceeds donated to a deserving development charity.

University Laptop Statement

While there will be no assignments or examinations for which the laptop will be used, your use of a laptop is generally permitted as long as such usage remains within the bounds of the Code of Student Conduct and it conforms to the provisions of its use as laid out in this syllabus. There may be occasions where laptop usage is forbidden and if that occurs, failure to comply with this direction will be viewed as a violation of the Code of Student Conduct.

Americans with Disabilities Act Statement

“Indiana State University seeks to provide effective services and accommodation for qualified individuals with documented disabilities. If you need an accommodation because of a documented disability, you are required to register with Disability Support Services at the beginning of the semester. Contact the Director of Student Support Services. The telephone number is 237-2301 and the office is located in Gillum Hall, Room 202A. The Director will ensure that you receive all the additional help that Indiana State offers. If you will require assistance during an emergency evacuation, notify your instructor immediately. Look for evacuation procedures posted in your classrooms.”

Academic Dishonesty: Please review the University’s Academic Dishonesty Policy found in the Student Code of Conduct (<http://www.indstate.edu/sjp/docs/code.pdf>). Academic dishonesty (including plagiarism and cheating), when detected, will result in an F grade for the course. There may be additional disciplinary sanctions at the university level.

***"The Sycamore Standard"* Indiana State University**

Students at Indiana State University are expected to accept certain personal responsibilities that constitute the "standard" for behavior in a community of scholars. As a student at Indiana State University:

I will practice personal and academic integrity; I will commit my energies to the pursuit of truth, learning, and scholarship; I will foster an environment conducive to the personal and academic accomplishment of all students; I will avoid activities that promote bigotry or intolerance; I will choose associations and define my relationships with others based on respect for individual rights and human dignity; I will conduct my life as a student in a manner that brings honor to me and to the University Community; I will discourage actions or behaviors by others that are contrary to these standards.

Adopted by the Indiana State University Student Government Association April 17, 2002

Statement on Academic Freedom

"Teachers are entitled to freedom in the classroom in discussing their subject, but they should be careful not to introduce into their teaching controversial matter which has no relation to their subject."

The preceding comes from the American Association of University Professors statement on academic freedom. Though the entire statement speaks to many issues, it is this portion on the conduct of the course that is most relevant. For the purpose of Foundational Studies courses this means that faculty have the right to conduct their class in a fashion they deem appropriate as long as the material presented meets the learning objectives laid out by the entire faculty
(<http://www.aaup.org/AAUP/pubsres/policydocs/contents/1940statement.htm>)

Attendance and Participation: Students are expected to attend regularly and engross themselves in discussions. Students are responsible for turning in all assignments *on time*, doing all relevant reading *before class*, for presentations and discussion in class. If you miss class, please *remember the following*:

1. Do not contact me to ‘fill you in’ about what went on during class. I am unable to do this. Please get the notes from someone who attended.
2. There are no make-ups if you miss an exam, presentation or a paper submission deadline. In case of emergency, I’ll need a documented excuse. Otherwise, I have to give you an F for the assignment.

Reaction Papers: Five reaction papers based on questions about the readings will be assigned. The questions will be given out in class. Each paper is worth 6 points; you are allowed to drop your lowest mark. Reaction papers are required to be succinct (2 pages or less, double spaced) and correctly documented. The choice of documentation style (e.g. APA, MLA, or Chicago) is the student’s. I require only that the documentation is complete and consistent. Late papers will not be accepted.

Sample reaction papers

‘Today’s developed countries did not find under-development: they created it.’ Discuss this with reference to Asia or Latin America. This refers to a main item of contention in the classical development literature, namely whether the Western world helped or hindered development in the Third World. It asks students to synthesize key parts of the readings in topic 4 and to present their findings in a concise and coherent way.

‘Is economic growth sufficient for a reduction in poverty? Discuss with reference to China.’ This refers to a major discussion in development economics about whether a rising economic growth reduces poverty. Students are asked to respond in reference to a reading in topic 6 about the changes in the distribution of income in China between 1988 and 1995—that is, in the period of unprecedented growth and economic reform.

Research Paper: You are required to write a research paper that is up to 8 pages in length (double spaced, font of 11 or 12, with at least 1 inch margins; longer papers will not be accepted). In your paper you must provide an analytical overview of the relevant literature, incorporating any relevant articles read in class into your paper as well. You must have a thesis and present evidence which supports your argument. The paper must be grammatically correct and correctly referenced. You are required also to submit a one-page outline of your paper, which will be graded. The due dates for the outline and paper are March 18th and April 20th; they will make-up 6% and 25% of your grade. Late outlines

and papers will not be accepted.

Sample research papers titles in the past

'Argentina's Economic Crisis,' spring 2009

'Industrialization of Taiwan and the effects of entrepreneurship on its development,' spring 2009

Examinations: There will be a midterm and final examination, which will each cover 15% of your overall grade. The dates for these examinations are shown below. The examinations will contain both multiple choice and essay parts. No make-ups will be given. If you miss a midterm examination—and you have a documented excuse—your final will be adjusted to count for your grade. You will receive a zero if your absence is undocumented. The examination dates are as follows:

Midterm: March 2nd

Final: see final exam schedule

Sample examination questions

Sample Multiple Choice Questions: *Expanding urban employment opportunities will, according to the Harris-Todaro Model, do the following*

- a) *Reduce unemployment in the cities.*
- b) *Increase the current account deficit.*
- c) *Be self defeating as it will eventually increase unemployment in the cities.*
- d) *Have no effect on rural to urban migration.*
- e) *None of the above.*

A notable disadvantage of export promotion is that the strategy

- a) *Requires government to raise funds for subsidies to the favored industries.*
- b) *Tends to encourage capital intensive techniques of production and hence underemployment (or unemployment) of labor.*
- c) *Results in an unequal distribution of income.*
- d) *Requires the use of tariffs.*
- e) *All of the above.*

Sample Essays: Answer **one** of the following. *Be specific but succinct.*

1. *You have been appointed the economic advisor to country X—a country where higher education is over-subsidized at the expense of basic literacy and primary education; education is available mostly only in urban areas; and, as in most developing countries, females have lower literacy and enrollment rates than males. Specifically, what programs would you recommend X undertake to improve their education outcomes? What is the economic rationale for choosing these programs?*

2. *Does foreign assistance (aid) assist? Explain why or why not.*

Presentations: Each student must present on either a) one of the assigned readings or b) an issue of her choosing (but not the term-paper). This is a formal presentation and you are encouraged to use overheads or PowerPoint. The presentation will be followed up by questions from students and is worth 15% of your grade. Please let me know about your choice of reading or topic by January 26th.

Grades: These will be as follows:

80% and above	A	60% to 64%	C
75% to 79%	B +	55% to 59%	D +
70% to 74%	B	50% to 54%	D
65% to 69%	C +	49% and below	F

Course Outline:

Topic	Chapter(s) in Text
<i>The Nature of the Problems and Development Theories:</i>	1 – 4
1. The nature and scope of economic development	
2. The evaluation of development Amartya Sen, ‘Development: Which Way Now?’, in Wilber and Jameson (eds.), <i>The Political Economy of Development and Underdevelopment</i> , 5 th edition, McGraw Hill, 1992, pp. 5-26.	
3. Structures and characteristics	
4. Development as an historical process ‘The Spread of Economic Growth to the Third world: 1850-1980’, in Meier and Rauch (eds.), <i>Leading Issues in Economic Development</i> , 7 th edition, Oxford, 2000, pp. 80-95. Keith Griffin, Underdevelopment in History, in Wilber (ed.), <i>The Political Economy of Development and Underdevelopment</i> , 2 nd edition, Random House, pp. 77-90.	
5. Leading theories of development ‘Divergence Big Time’, <i>Leading Issues</i> , 7 th edition, pp. 114-8.	
<i>Domestic Problems and Policies:</i>	
6. Growth and income distribution Azizur Khan, Keith Griffin Carl Riskin, ‘Income distribution in China during the period of economic reform and globalization’, <i>AER</i> , May 1999, Vol. 89, No. 2, pp. 296-300.	5
7. Population	6

8. Migration 7
9. Education and health 9
 ‘Creating Human Capital’, *Leading Issues*, 7th edition, pp. 237-40.
 ‘Health and Nutrition, *Leading Issues*, 7th edition, pp. 254-6.
10. Agricultural development 10
 ‘Prospects and Strategies for Land Reform’ in Meier and Rauch (eds.), *Leading Issues in Economic Development*, 8th edition, Oxford, 2005, pp. 407-15.

International Problems and Policies:

11. Trade Policies in developing countries 12 & 13
 ‘Getting Interventions Right: How South Korea and Taiwan Grew Rich’, *Leading Issues*, 7th edition, pp. 195-201.
12. Foreign Aid 15
 ‘Can Foreign Aid Buy Growth?’ in Meier and Rauch (eds.), *Leading Issues*, 8th edition, pp. 315-19.

Annotated Outline:

Topic	Description and Pedagogy	Learning Outcomes
1	What are the main material indicators of development or underdevelopment?	FSLO 1 & 3 GPLO 2, 3 & 4
2	What are the rival conceptions of development? What is their implication for how we view the world? We also discuss how the choice of concept informs policy.	FSLO 2, 3 & 8 GPLO 2 & 3
3	What are the main structures and characteristics of developing countries? There is often as much (if not more) variation within developing countries as between developing and developed countries. What distinguishes developed from developing countries? Is the distinction a useful one?	FSLO 1, 2, & 3 GPLO 2 & 3
4	This section explores the contending school about development—as an original condition versus the outcome of a complex historical process. What have been the implications to development of colonialism and slavery? Notably, how did these segment markets, notably labor markets, along ethno-racial (European vs. immigrants from within the Empire vs. indigenous populations), class and gender lines?	FSLO 1, 2, 7 & 8 GPLO 1, 2, 3 & 4
5	This examines the main theories of development—why	FSLO 1, 2, 3, 5 &

	some countries develop and others do not— including those of structural transformation, neoclassical growth and dependency schools.		8; GPLO 1, 2 & 3
6	This studies the relationship between poverty, economic growth and the distribution of income. The strong ethnic and gender component to poverty is explored.		FSLO 1, 2, 3, 5 & 7; GPLO 1, 2 & 3
7	Theories of population growth, including neoclassical and Malthusian, are studies. This leads to a discussion of the reasons behind hunger and famine		FSLO 1, 2, 3, 6 & 8; GPLO 1, 2, 3 & 4
8	Why does migration—especially urban to rural—occur and what are its implications for both rural and urban areas?		FSLO 1, 2, 3, 6 & 7; GPLO 2
9	What are the implication of education and health spending in developing countries on equity and efficiency? Which aspect of health and education should developing countries concentrate on?		FSLO 1, 2, 3, 6 & 8; GPLO 1, 2 & 3
10	Why has agriculture performed poorly in developing countries? What are the existing biases in the sector? How can they be remedied?		FSLO 1, 2, 3, 5 & 6; GPLO 1, 2 & 3
11	What are the main arguments for protecting local industries? What have been the effects in developing counties?		FSLO 1, 2, 3, 5 & 6; GPLO 2 & 3
12	What have been the trends in foreign aid over the last 50 years? Does foreign aid assist?		FSLO 1, 2, 3, 5 & 6; GPLO 1, 2, 3 & 4

Annotated Assessments:

Percentage of Grade	Assessment	Learning Outcomes
15	Presentation	SALO 2
24	Reaction papers	SALO 1, 2 & 3
6	Term-paper outline	SALO 3
25	Term paper	SALO 1, 2 & 3
2 @ 15 = 30	Midterm and Final (multiple choice and essay)	SALO 1, 2 & 3