Worldwide surveys were recently conducted by the United Nations Millennium Project to ascertain the pulse of an increasingly globalized world. The only question: "Would you please give your honest opinion about solutions to the food shortage in the rest of the world?" The survey was a huge failure.

The reason: In Africa they didn't know what 'food' meant, In India they didn't know what 'please' meant, In Europe they didn't know
what 'shortage' meant, In China they didn't know what 'opinion' meant, In the Middle East they didn't know what 'solution' meant, In South America they didn't know what 'honest' meant, and in the USA they didn't know what Rest of the World meant!!!

There is no history but world history -- wie es eigentlich gewesen ist. Leopold von Ranke

I assume readers are willing to learn something new and therefore to think for themselves. Karl Marx (1864)

Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. Keynes (1934)

Teachers or students who attempt to act upon the theory that the most recent treatise is all they need will soon discover that they are making things unnecessarily difficult for themselves. Unless that recent treatise itself presents a minimum of historical aspects, no amount of correctness, originality, rigor, or elegance will prevent a sense of lacking direction and meaning from spreading among the students...Joseph Schumpeter (1954)

Modern history, both early and late, was made by Europeans, who ‘built a world around Europe,’ as historians ‘know,’ according to Braudel. That is indeed the ‘knowledge’ of the European historians who themselves ‘invented’ history and then put it to good use. There is not even an inkling of suspicion that it may have been the other way around, that maybe it was the world that made Europe. André Gunder Frank, ReORIENT (2005)

The vicious circle is perfect: foreign debt and foreign investment oblige us to multiply exports that they themselves devour. The task can't be accomplished with gentlemanly manners. To fulfill their function as hostages of foreign prosperity, Latin American workers must be held prisoner, either inside or outside of the jails. Eduardo Galeano, Open Veins of Latin America (1971)

Never have the armies of the North brought peace, prosperity, or democracy to the vast majority of mankind---peoples of Asia, Africa, or Latin America. In the future, as in the past five centuries, they can only bring to these peoples’ further servitude, the exploitation of their labor, the expropriation of their riches, and the denial of their rights. It is of the utmost importance that the progressive forces of the West understand this. Samir Amin (2017)

When I give food to the poor, they call me a saint. When I ask why the poor have no food, they call me a communist! Ravi Bhandari, World Bank, Nepal (2009)

Facilis descensus Averno, The Road to Hell is Paved with Good Intentions Virgil's Aeneid

Policies to help the poor that are the product of imagination unrestrained by knowledge of the past are likely to full of romantic violence. Simon Kuznets (1955)
**Course Description**
What is the impact of the unfolding global recession (or is it a depression?) on the world’s majority who predominantly reside in developing country agriculture? What is the mystery behind economic growth? What are the causes of the Great Divergence when by 1850 Europe became rich and the rest of the world poor? Are the causes of growth and an overall increase of social welfare the same for rich and poor countries? Why does almost three-fourths of humanity struggle to survive on less $2 per day? Is world economic colonialism alive and kicking or are we in some sort of post-ideological and post-colonial world as many in North America claim? Why has development been a catastrophic failure by all accounts? Is it possible, and if so, under what economic conditions?

We attempt to unravel the economic determinants of underdevelopment and poverty in developing countries, and the strengths (and weaknesses) of alternative strategies to overcome these conditions. Emphasis will be given to the roles attributed to neoliberal market forces, state interventions, and civil organizations in alternative development strategies.

We will analyze the roles of human and capital resources, the contributions of different sectors of the economy to economic growth and the specific functions of agriculture, the expected gains from international trade, the mechanisms of technological and institutional innovations, and the new political economy of government behavior. Specific problems that will be addressed include the formulation of planning models, stabilization and adjustment policies and associated role of the World Bank and IMF, import substitution and export-led industrialization strategies, international financial markets, project evaluation techniques, the role of agriculture in economic development, the behavior of peasant households, land reform and the logic of agrarian institutions and grassroots organizations, cooperation and community behavior, and sustainability of natural resources.

The primary aim of this course is to provide students with theoretical knowledge on a broad range of development problems backed up by empirical knowledge of country experiences. To achieve this, the course introduces students to the major theoretical perspectives (and debates) on a broad range of issues related to and arising from current processes of development, more commonly and popularly known as globalization. The second-half of the course introduces policy issues and experience relating to agriculture, trade, industrialization and international financial flows.

This is an intensive reading and writing based on critical thinking. There will be ample room for seminar-style discussion throughout the course as well. This course is unlike standard economics courses that rely on textbooks, exams and problem sets. Given the broad nature of the course (to understand the world, no less!), the textbook will provide the necessary structure, upon which lectures, readings, and discussion will be based but not limited to. Lectures are deliberately critical of standard development theory and associated mainstream economic approaches to development in order to give students a fair education and more rich experience of the field as it actually exists today.

**Common Course Learning Outcomes**
By the end of this course, students will be able to demonstrate that they are aware of:
alternative development theories, their assumptions, and policy conclusions;
alternative sustainable development and industrialization strategies;
the arguments relating to import and export based industrialization strategies;
Current crises relating to issues such as debt, famine, conflict; and environment;
debates surrounding World Bank and IMF adjustment policies;
changing patterns of global capital flows and its role in debt and instability;
in-depth knowledge of a TW country, its history and developmental constraints;
the many myths surrounding the Third World in general, and “peasants”;
the role of women in the process of change at both the micro and macro levels;
key challenges facing the 21st century for both the developed and DC’s

Prerequisites

A passing grade in both intro micro and macro I hope is required, but now sure yet, since it is my first semester here! The more economics courses and international social science courses in general, especially history, will prove very beneficial in improving your understanding of development.

Required
Lucia Pradella & Tomas Marois. 2015. Polarizing Development. (PD)

Recommended Readings

The required reading is intensive but actually to your advantage by serving a double purpose in being used as a reference in your research paper. The leading text in the field for decades by Todaro (of which all are predictably mainstream and squarely rooted in neoclassical free market theory) provides the overall structure for the course while the other two books present the leading alternative views within development economics from both a Marxian perspective (Polarizing Development) and Keynesian perspective (GD).

Part II of Polarizing Development are applied case studies and hence not been formally assigned in the reading list below. You can count one of these articles for your final paper if the topic, country, or region is relevant. David Hong, our assistant for the course, will also post readings from time to time. We are lucky to have him and he is an excellent resource to help you meet your goals for this course. Please carefully run through your questions and concerns regarding the course material, homework, quizzes, prospectus and final paper with David always first before seeing me so you get your $’s worth. I am always happy to meet with you after.

Requirements, Evaluation & Performance
There are quizzes based on the material in the textbook, homework based on problems from the end of the chapter, a midterm prospectus and a final research paper. The course material and teaching style is conducive for developing your research paper and integrating everything you have learned from the course and apply it to a case study of your choosing. You are required to pick one of the many Third World countries to study in greater depth and test the theories you have learned.

You are expected to:

- Do weekly homework assignments and take quizzes on time
- Do all the reading ON TIME
- Do a formal 15-20 minute class presentation
- Write a midterm prospectus and a final research paper based on independent research

While you are doing your research, please keep the following important thought questions in mind which will be very helpful in organizing your thoughts for your final research paper:

1. Which theoretical perspective is being employed? Neoclassical, Keynesian, Marxian?
2. What is its main argument (thesis)?
3. How does the author make the argument (methodology)?
4. How does the argument differ from the Todaro text in its theoretical model?
5. Do you agree with the (policy) conclusions? Why?

The minimum amount of independent research for your final paper is two (four if graduate student) peer-reviewed articles (in addition, of course, to the required reading of the course). The journals listed below are very influential academic journals in the field of development economics and can be easily accessed through the PSU library homepage with your password:

For those of you who will benefit from a more structured approach with a time-line, you should organize your paper by addressing sequentially four issues, ranked in increasing importance:

1. human well-being and poverty (Chapters 1-2)
2. theories of economic growth and structural change (Chapters 3-4)
3. a specific topic of your choice (Chapters 6-16)
4. assess competing theories/controversies in light of your case study (Chapters 3-4, 13-15)

The most often asked Question: how should I organize my final paper?

The first part of your paper should describe and analyze the state of human development in the country chosen, with some historical perspective (i.e. where was the country at 10, 20, or 30 years ago). This part should be presented in tables or graphs in 2-3 pages and should include, but not limited to, GDP per capita, HDI components; absolute and relative poverty rates; PPP versus market exchange determinations, and Gini coefficients.

The second part describes and analyzes economic growth and structural change in production and trade in the country chosen. Like the part, here you need to also include data, but not limited to, GDP per capita, growth, investment and savings rates, indicators of technological capabilities and human capital, and the structure of output and exports and imports, terms of trade for trade and agriculture. Five to ten pages are sufficient. You are required to turn in the first two parts as your take-home midterm.

The third part is a full-fledged analysis of the development challenges of the country chosen based on your topic of choice incorporating your earlier work on human development, economic growth and structural change.

Finally, you are expected to argue and defend your argument and school of thought (Chapter 3-4) that you think best captures the reality of your chosen country. Your conclusion must include a clear summary of the main arguments of each of the four focal areas above and recommend appropriate policy to achieve both growth and equity. Your paper must have a bibliography of all your references you plan to use in your final paper.

Grade Distribution

Class participation---10% (includes a formal class presentation)
Homework Assignments & Quizzes---25%
Midterm Paper (see above) Parts I & II of Term Paper with References)---15%
Final Course Paper---45%

Course Outline

Week 1-April 3
1. **What is development? Specification of development indicators**

2. **State of the world in terms of development. Main issues to be explained**

   Week 2-April 10

3. **The development of development economics and current models of (under) development**
   Todaro. Chapter 3 & 4. Theories of Economic Growth and Development. PD, Chapter 3, 7, 12 Roubini, Chapters 6-10

4. **Poverty and inequality—concepts and measurement—growth-with-equity strategies**
   Todaro. Chapter 5. Growth, Poverty, and Income Distribution
   Bhandari, 2010. The Causes and Consequences to Rising Inequality: The Case of Nepal

   *Problem Set #1 Due April 17: Ch. 1 (4,6,9) Ch.2 (5, 9, 11) Ch.3 (1,6,7) Ch. 4 (2,4) Ch.5 (1,5,10)*

   Week 3-April 17

5. **Sustainable development and the environment**
   Todaro, Chapter 10. The Environment and Development
   PD, Chapter 10, Movie for discussion: Thirst

6. **Population and development: Malthus versus Marx**

   Week 4-April 24

7. **Education, employment, and migration**
   Todaro, Chapter 7 & 8. Migration & Human Capital: Education and Health in Development
   PD, Chapter 5, 8, 9
   Bhandari, Ravi. 2010. The Use and Abuse of Social Capital in Development Economics

   *Problem Set #2 due May 1: Ch. 10 (2,8) Ch.6 (4,9) Ch.7 (1,10) Ch.8 (4) Ch.11 (6,8) Ch. 12 (4,7)*
   *Midterm Prospectus Due Thursday, May 3 (bring two hard copies to class)*

   Week 5-May 1

8. **Trade and the debate on globalization—role of market, state and civil society**
   Todaro, Ch 11 & 12: Trade Theory and Policy: Export Promotion, ISI, and Economic Integration
   PD, Chapter 6 & 11, GD Part I, Bhandari, 2010. Donors and Dependency in the Expatriate’s Paradise of Nepal: The New Missionaries or Do Gooders?, Perkins, Part I (Chapters 1-12)

   *Problem Set #2 due May 1: Ch. 10 (2,8) Ch.6 (4,9) Ch.7 (1,10) Ch.8 (4) Ch.11 (6,8) Ch. 12 (4,7)*
   *Midterm Prospectus Due Thursday, May 3 (bring two hard copies to class)*

9. **The Agrarian Question and the World Food Crisis: competing theories & policies**
Todaro, Chapter 9: Agricultural Transformation and Rural Development

The World Bank’s Role in Global Agriculture (2014), see the following website to access: www.oaklandinstitute.org/sites/oaklandinstitute.org/files/OurBiz_Brief_UnfoldingTruth.pdf


10. Analysis of the real exchange rate and Dutch Disease

Week 6-May 8

11. Foreign aid and the role of international development agencies
Todaro, Chapter 14. Foreign Finance, Investment, and Aid

12. Finance and Fiscal Policy for Development
Todaro, Chapter 15

PD, Chapter 3, Steven Drobny & Nouriel Roubini, 2013. The Invisible Hands: Top Hedge Fund Traders on Bubbles, Crashes, and Real Money. (Foreword by Jared Diamond)

Problem Set # 3 Due May 17: Ch. 9 (2,8) Ch. 13 (1,7) Ch. 14 (2,8) Ch.15 (3,8,12)

Week 7-May 15

13. The Future of Global Capitalism and Development: Are they Compatible?
A few recommended case studies for your final research paper and for class discussion:


Week 8 & 9 –May 22 and May 29
14. Class Presentations (4 classes)

Final Research Paper Due @ May 31st & Last Day of Class

Recommended WEBSITES:

- GDAE (TUFTS)
- Project-syndicate.org
- Monthly Review
- Bullet (socialistproject.ca from Canada)
- Ellen Brown & the Public Banking Institute
- World Bank
- IMF
- IDEAS, http://www.networkideas.org/
- http://triplecrisis.com/
- Dollars & Sense
- Economist
- Committee for the Abolition of Third World Debt (www. http://cadtm.org/)
- First World Problems (very funny site to lighten things up a bit!)

Course Policies & Guidelines for All Papers

- **Responsibilities:** I see my primary responsibility to lead, guide, and motivate a group of committed and dedicated students in the learning process, and to determine the extent to which students have mastered the material covered in this course. I am committed to this task. By signing up for this course, you have accepted the responsibility of being an active learner and of participating in the classroom discussion. Students are expected to be committed to learning the subject matter. Most importantly, you are expected to maintain an open mind throughout this course, and if you are not committed to this process, expect your grade to reflect this;

- **Attendance & Participation in class:** Regular class attendance is an important obligation and an essential condition for successful academic progress. Excessive absence may seriously jeopardize the satisfactory completion of a course. Two unexcused
absences are allowed for each student, after which each absence is 10 points. Beyond five absences is failure. Participation is very valuable to everyone in the course. "If you aren't talking, you aren't learning." Prepare, treat others courteously, and participate freely. Very good contribution to the quality of discussions may earn a bonus on the final course grade, while poor class participation will result in a reduction of the final course grade. In this course, class attendance is extremely important as learning is fundamentally a socially interactive process. Note: arriving after attendance is taken will still be marked absent so be on time!

- **Quizzes**: Short quizzes are based on the material presented in the textbook;
- **In Class**: Do the reading carefully with your questions BEFORE class or DO NOT COME; No electronic devices of all sorts including using computers to take notes, etc. No food or drink in class. Please treat the class with respect as if it were a business meeting or interview, and find ways to contribute to the learning of others.
- **Email**: Only Hard copies accepted for homework, midterm, and final (email attachments never accepted). Please no emails unless absolutely necessary. Ask your question in class, everyone will gain. And no email attachments, only hard copies. I am old school!
- **Office hours**: are intentionally open to students in order to learn from each other and build skills of collaboration and cooperative dialogue in intellectual pursuits; if you need to see me privately, please tell me before or after class to set up an appointment. Make sure to see our TA, David Hong, for any/all administrative and course related questions first before seeing me. This will maximize how we can assist you on your intellectual journey. I do very much look forward to meeting you and getting to know you beyond a name and ID #!
- **Disability**: Please provide any accommodation you need the first week of classes and related paperwork from the Disability Resource Center. Any questions, please contact them.
- **Academic Honor Code**: Please follow the academic honor code fully. Quizzes are to be taken in isolation with no notes, text, or any materials around. If you have an urgent question during a quiz, do not ask a friend, instead please email David. Breaking the code results in severe consequences as outlined in the procedures and policies of PSU. Papers will be turned in to turnitin.com, so please do not plagiarize, trust me I will know with or without high tech software! It is never worth it. If you feel the need to cut corners, are overwhelmed with school and/or life, or need a fresh start, please see me after class, and I will be happy to do what I can to work with you.