Economics 450U/550: Development Economics

This course investigates the economic situation of most of the world. How do we define development? What have been countries' experiences with economic development and what have been the causes? What has been the relationship between inequality, poverty, and economic growth? How does population, health and education affect economic growth, and how does growth affect population, health and education? What is necessary to make economic development environmentally sustainable, and what are the possible impacts of global climate change on developing countries? What is the effect of trade and globalization on developing countries? What is the impact of foreign aid, and how can it be made more effective?

Each student will be expected to read all the assigned material, participate in classroom discussions, and complete the written assignments. Students' own experience and ideas are important to the course. Squaring them with the theories and data we study is a central goal.

Undergraduate grades are determined by
- 15% on short in-class quizzes
- 30% on 4 page paper
- 45% on a final exam, and
- 10% on class participation.

Regular attendance is vital for understanding the material, so attendance will be noted as part of class participation. All assignments are due in class on the dates announced and will be marked down if late. It's always better to turn in an assignment late than to decide not to turn it in at all.

Do not plagiarize or engage in any other form of academic dishonesty. While I encourage you to discuss your assignments with other people, the final product must be your own, containing full citations to any work on which you draw.

Topics and Readings

The course will use the text Economics of Development by Perkins, Radelet, and Lindauer. Price at PSU bookstore $136 (no used or swaps available). On Amazon.com $127.50 (used $80-100).

All other readings are on the WebCT site. We are reading substantial parts of Sachs, The End of Poverty, so you may prefer to buy the book (although it is not in the PSU bookstore; Amazon $10.88) instead of reading it on WebCT.

There will be short weekly quizzes about the readings each Monday.
Week 1 (January 7-11)
- Introduction and History of Economic Development.
  - Jeffrey Sachs, “The Spread of Economic Prosperity”
  - Perkins, Radelet, and Lindauer, Chapter 1
  - Recommended: Jared Diamond, “The Worst Mistake In The History Of The Human Race”

Week 2 (January 14-18)
- Concept and Measurement of Development
  - Amartya Sen, “Introduction” of Development as Freedom
  - Brad Delong review of Ben Friedman
  - Perkins, Radelet, and Lindauer, Chapter 2

Week 3 (January 23-25) nb. January 21, MLK Jr. Day, is a university holiday
- Economic Growth: Concepts and Patterns
  - Jeffrey Sachs, “Why Some Countries Fail to Thrive”
  - Perkins, Radelet, and Lindauer, Chapters 3

Week 4 (January 28-February 1)
- Theories of Economic Growth
  - Gallup, Sachs, and Mellinger, “Geography and Economic Development”
  - Perkins, Radelet, and Lindauer, Chapters 4

Week 5 (February 4-8)
- Inequality and Poverty
  - Perkins, Radelet, and Lindauer, Chapter 6

Week 6 (February 11-15)
- Population and Education
  - Glaeser and others, “Do Institutions Cause Growth?”
  - Perkins, Radelet, and Lindauer, parts of Chapters 7 & 8:
    - Chapter 7: Population
      - pp. 240-244 The Demographic Transition
      - pp. 255-258 Population Growth and Human Development (up to Population and Accumulation)
      - pp. 266-269 Family Planning
    - Chapter 8: Education
      - pp. 275-276 Introduction
      - pp. 282-286 Schooling versus Education; The Benefits of Education
      - pp. 295 (next to last line on page)-313 Controversies and Puzzles; Making Schooling More Productive

Week 7 (February 18-22)
- 4 page papers due February 22nd
- Health
  - Jeffrey Sachs, “Africa: The Voiceless Dying”
  - Perkins, Radelet, and Lindauer, Chapter 9
Week 8 (February 25-29)
- Sustainable Development
  - Perkins, Radelet, and Lindauer, Chapter 20

Week 9 (March 3-7)
- Trade
  - Jeffrey Sachs, “China: Catching Up After Half a Millenium”
  - Friedman, Thomas L. “While I Was Sleeping,” in *The World Is Flat* (outsourcing in India)
  - Perkins, Radelet, and Lindauer, Chapter 19

Week 10 (March 10-14)
- Foreign Aid
  - Jeffrey Sachs, “Myths and Magic Bullets” and “Why We Should Do It”
  - Perkins, Radelet, and Lindauer, Chapter 14

Final Thursday, March 20th, 12:30 – 2:30pm

Readings


