Economics 350: Economics of Developing Countries

This course studies the economic conditions experienced by the majority of the people in the world, who live in low- and middle-income countries. Among the questions considered are: What is economic development? How has economic development occurred historically and what have been the causes? What has been the relationship between poverty, inequality, and economic growth? How does population, health, and education affect economic development, and how does economic development affect population, health, and education? What is the effect of trade and globalization on developing countries? What is necessary to make economic development environmentally sustainable, and what are the likely impacts of global climate change 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 ideas and experience are important to the course. Squaring them with the theories and data we study is a central goal.

Undergraduate grades are determined by
- 20% on short in-class quizzes
- 25% on a classroom presentation
- 50% on a final exam, and
- 5% on class attendance and participation.

Regular attendance is vital for understanding the material, so attendance will be noted. All assignments are due in class on the dates announced and will be marked down if late. It's always much 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. I vigorously pursue suspected cheating because it undermines honest work.

Students with accommodations approved through the Disability Resource Center need to tell
me during the first week of term to discuss accommodations. Students who believe they are eligible for accommodations but who have not yet obtained approval should contact the DRC immediately.

The course will use the text *Economics of Development, 7th Edition* by Perkins, Radelet, Lindauer, and Block (ISBN-10: 0393934357). You can use the 6th Edition (ISBN-10: 0393926524) instead which is much less expensive (look for used copies on abebooks.com or Amazon), but you are responsible for figuring out differences in page numbers, etc.

All other readings are on the Top Hat site (tophat.com/e/074256).

There will be short weekly quizzes about the readings for the forthcoming week each Tuesday.

This course uses a clicker device, but instead of requiring you to buy a physical clicker, you use your cellphone or wireless device (iPad, notebook computer, etc.) which makes it less expensive. If any student does not have a cellphone of any kind or a wireless device, let me know.

You will need to register and pay for the clicker software:
1. Purchase a subscription at tophat.com or at the PSU bookstore.
2. Register for a student account at app.tophat.com/register/student/.
4. Click on the Help link once you login to access tutorials.

You will answer questions in class with the clicker system by either sending a text message with a simple cellphone, or by logging into the Top Hat Monocle web site if you have a smartphone or a wireless device.
Course Outline and Readings

- Week 1, Class 1,2 (April 1, 3)
  - Introduction and History of Economic Development.
    - Jeffrey Sachs, “The Spread of Economic Prosperity”
    - Perkins, Radelet, and Lindauer, Chapter 1

- Week 2, Class 3,4 (April 8, 10)
  - Concept and Measurement of Development
    - Amartya Sen, “Introduction” of Development as Freedom
    - Perkins, Radelet, and Lindauer, Chapter 2

- Week 3, Class 5,6 (April 15, 17)
  - Economic Growth: Concepts and Patterns
    - Jeffrey Sachs, “Why Some Countries Fail to Thrive”
    - Chang, “Lazy Japanese and Thieving Germans”
    - Perkins, Radelet, and Lindauer, Chapter 3

- Week 4, Class 7,8 (April 22, 24)
  - presentation description due April 22th
  - Institutions
    - Basu, Asian Century
    - Perkins, Radelet, and Lindauer, Chapter 5

- Week 5, Class 9,10 (April 29, May 1)
  - Inequality and Poverty
      - focus on sections “Meet Three People” (pp. 4-7) and “Findings” (pp. 18-42) - skim rest
    - Perkins, Radelet, and Lindauer, Chapter 6

(continued)
- Week 6, Class 11,12 (May 6, 8)
  - Population and Education
    - 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, Class 13,14 (May 13, 15)
  - Presentations due May 13th
  - Health
    - Jeffrey Sachs, “Africa: The Voiceless Dying”
    - Perkins, Radelet, and Lindauer, Chapter 9

- Week 8, Class 15,16 (May 20, 22)
  - Sustainable Development
    - Perkins, Radelet, and Lindauer, Chapter 20

- Week 9, Class 17,18 (May 27, 29)
  - Trade
    - Bardhan, “Does Globalization Help or Hurt the World's Poor?”
    - Friedman, Thomas L. “While I Was Sleeping,” in The World Is Flat (outsourcing in India)
    - Perkins, Radelet, and Lindauer, Chapter 19

- Week 10, Class 19,20 (June 3, 5)
  - Foreign Aid
    - Jeffrey Sachs, “Myths and Magic Bullets” and “Why We Should Do It”
    - Perkins, Radelet, and Lindauer, Chapter 14

- Final – Tuesday, June 10th, 10:15-12:05am in the classroom
Readings


