

Economic Development

Spring 2014

Course Information

Code: Econ 204

Location: Science Center 302

Hours: Tuesdays, Thursdays from 8:00 a.m. to 9:50 a.m.

Prerequisites: Econ 199

Instructor Information

Name: Marta Podemska-Mikluch, PhD

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Office Hours: Wednesdays 1 p.m. – 3 p.m. and by appointment

Course Description and Objectives

Why are we so rich while others are so poor? What explains the discrepancies in the standard of living across societies? How successful were the attempts at alleviating poverty? What works and what fails in economic development? Does inequality matter? What does the future hold for the developing nations? We will address these and many other questions by applying economic way of thinking to the problems of economic development. Students will gain an understanding of developing economies and the challenges they face. Students will also learn to critically analyze development policies. Upon completion of the course students are expected to be familiar with the forefronts of development literature and with public policy approaches to development problems.

Required Textbooks

Easterly, William. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Cambridge, Mass.: MIT Press, 2001.

Easterly, William. *The White Man's Burden*. London: Penguin Books, 2007.

McCloskey, Deirdre N. *Bourgeois Dignity: Why Economics Can't Explain the Modern World*. University Of Chicago Press, 2011.

Grading Policy

Your final grade will be based on your performance in five categories:

- | | |
|--------------------------|-----------|
| 1. Midterm | 30 points |
| 2. Final Exam | 30 points |
| 3. Discussion Leadership | 10 points |
| 4. Research Paper | 20 points |
| 5. Class Participation | 10 points |

Total: 100 points

There is no pre-set grade distribution for this class. Note, however, that Section IX of the Beloit College Academic Policy Manual (APM) clearly discusses the definitions of specific grades. According to the APM:

Grade	is awarded for credit earned in a manner that demonstrates:
A	Unusual ability and distinctive achievement
B	Articulate, above-average performance
C	Satisfactory performance

I note this language for two reasons. First, I wish to highlight that a C is not a failing grade. It is, by definition, satisfactory performance and grades of C should be viewed in that light. Several of you might find yourselves in the C range. This grade merely reflects that while your work is satisfactory, there remains room for improvement. Second, it is important to note that A's are awarded only for exceptional performance.

Grade scale:

		B+	87 - 89	C+	77 - 79	D+	67-69
A	94+	B	84 - 86	C	74-76	D	60-66
A-	90-93	B-	80 - 83	C-	70-73	F	0-59

Midterm and Final Exam

Your midterm and final exam will constitute of short essay questions. Before each exam, I will provide you with a study guide. If you master the study guide questions, you will have no difficulties on the exam.

Discussion Leadership

Each student will be asked to lead multiple class discussions. Discussions will be based on the assigned readings. Each time you are asked to lead a discussion, you will provide your classmates with a list of three questions at least two days in advance of the class. You will start the class discussion with a short summary of the material – handouts and visual aids are welcomed but not required.

Research Paper

Fast-forward five years. You graduated from Beloit and after gaining some professional experience you decided to start a small consulting company that specializes in economic development. The first thing you do, of course, is come up with a great name for your business. Shortly after, the name and your indisputable human capital bring you your first contract: a multinational corporation hires you to provide country-specific expertise and risk assessment. You are asked to deliver your findings in two steps: first, you need to produce a background paper that highlights the major points of your discovery; second, you need to present your findings to the company's executives and board members.

You decide to contact your college professor for some advice. Here is what the professor tells you: start with a graph that displays changes in GDP per capita over the last couple of decades. Introduce other statistics that can be helpful in understanding the standard of living in this country (share of population living on less than \$1 per day, agriculture as share of GDP, exports as share of GDP, infant mortality rate, economic freedom index, and whatever else you think matters). Use the tools and concepts developed in Economic Development to discuss and explain the country's development trajectory. Then explain your predictions for the future of this country. Would you recommend investing there? If so, in what industries? If not, what would need to happen to render this country safe for investment?

Submission timeline:

- 02/10 Submit a note of 100-250 words explaining which country you have selected and why¹
- 03/17 Submit a draft of your paper
- 04/13 Upload your paper to Moodle so other students can read it before your presentation
- 04/13 Submit final version of no less than 1500 and no more than 4000 words
- TBD Deliver your presentation

¹ All submission must be made through Moodle.

Class Participation

Class participation is a vital element of the learning process. It will yield greatest results if based on solid preparation. I expect you to study systematically and to remain engaged throughout each class. Your participation grades will be assigned based on a variety of activities: *reading discussions, in-class writing assignment, group work, classroom games, board problem solving, etc.*

Keep in mind that not every class will provide opportunities for participation, some will constitute purely of lectures. However, if you miss a class in which participation was graded, there will be no make-up opportunities. Instead, at the end of the semester I will drop your lowest participation score. The specific grading criteria are listed in the table below.

4 points	A+ (110 percent)	<ul style="list-style-type: none">• Demonstrates excellent preparation: has analyzed material exceptionally well• Contributes in a very significant way to ongoing discussion: keeps analysis focused, responds thoughtfully to other students' comments, contributes to cooperative argument-building, suggests alternative ways of approaching material and helps class analyze which approaches are appropriate, etc.
3 points	A (100 percent)	<ul style="list-style-type: none">• Demonstrates good preparation: knows reading facts well, has thought through their implications• Contributes to discussions in an ongoing way: responds to other students' points, thinks through own points, questions others in a constructive way, offers and supports suggestions
2 points	B (85 percent)	<ul style="list-style-type: none">• Demonstrates adequate preparation: knows basic reading facts, but does not show evidence of trying to interpret or analyze them• Offers only straightforward information (e.g., straight from the case or reading), without elaboration or very infrequently (perhaps once a class)
1 points	C (75 percent)	<ul style="list-style-type: none">• Present, not disruptive• Tries to respond when called on but offers incomplete answers
0 points	F (0 percent)	<ul style="list-style-type: none">• Absent either physically or mentally

Scheduled Lectures and Events

Week	Date	Topic	Readings ²
1	01/21	Introduction	
	01/23	Guns Germs and Steel – part 1	-
2	01/28	Guns Germs and Steel –	-
	01/30	McCloskey on Industrial Revolution	McCloskey ch. 1 - 3, 22
3	02/04	McCloskey on Industrial Revolution	McCloskey ch. 4 – 7
	02/06	McCloskey on Industrial Revolution	McCloskey ch. 8 – 11
4	02/11	McCloskey on Industrial Revolution	McCloskey ch. 12 – 13
	02/13	Do Economists Understand Growth?	Easterly 2001 ch.1
5	02/18	Panaceas that Failed I	Easterly 2001 ch. 2 – 3
	02/20	Panaceas that Failed II	Easterly 2001 ch. 4 – 5
6	02/25	Panaceas that Failed III	Easterly 2001 ch. 6 – 7
	02/27	Review	-
7	03/04	Midterm	-
	03/06	People Respond to Incentives I	Easterly 2001 ch. 8 – 9
8	03/11	<i>No Class: Midterm Break</i>	
	03/13	<i>No Class: Midterm Break</i>	
9	03/18	People Respond to Incentives II	Easterly 2001 ch. 10 – 11
	03/20	People Respond to Incentives III	Easterly 2001 ch. 12 – 13
10	03/25	Planners and Prosperity I	Easterly 2007 ch. 1 – 2
	03/27	Planners and Prosperity II	Easterly 2007 ch. 3 – 4
11	04/01	Acting out the Burden	Easterly 2007 ch. 5 – 7
	04/03	The White Man’s Army	Easterly 2007 ch. 8 – 9
12	04/08	The Future	Easterly 2007 ch. 10 – 11
	04/10	Poor Economics	<i>Moodle</i>
13	04/15	Student Presentations	<i>Moodle</i>
	04/17	<i>No class – student symposium</i>	-
14	04/22	Student Presentations	<i>Moodle</i>
	04/24	Student Presentations	<i>Moodle</i>
15	04/29	Student Presentations	<i>Moodle</i>
	04/31	Student Presentations	<i>Moodle</i>
16	05/06	Review	-
	05/09	Final Exam (Friday 9 a.m. – 12 p.m.)	-

Disability Statement

If you have a disability and need accommodations, contact the Learning Enrichment and Disability Services Office located on 2nd floor Pearsons (north side) or call x: 2572 or email learning@beloit.edu. For accommodations in my class you must bring me an Accommodation Verification Letter from the Director of that office which will indicate appropriate accommodations. Contact that office promptly; accommodations are not retroactive.

Tutoring

Free peer tutoring is available for most classes. To access a tutor, apply at the Learning Enrichment and Disability Services Office located on 2nd floor Pearsons (north side) during their office hours (8 a.m. - 4:30 p.m., Monday - Friday).