

Economics of Developing Areas - Econ 360

Summer 2010

July 6th - August 5th

Monday – Thursday

9:30 am – 11:45 am

Location: Robinson Hall B218

Instructor: Marta Podemska Mikluch

Email: mpodemsk@gmu.edu

Office Hours: Wednesday 12:00 - 1:30 and by appointment at Enterprise Hall 338

Course objectives

Economics is first and foremost a way of thinking. Thus, the major course objective is for students to have the ability to critically analyze complex social problems. Throughout the course students will be encouraged to develop and learn to apply analytical skills. Moreover, at the end of the semester students should be able to demonstrate a strong understanding of development problems. They should be familiar with the forefronts of development literature and with public policy approaches to development problems.

Prerequisites

Principles of Microeconomics (Econ 103) and Principles of Macroeconomics (Econ 104)

Required Readings

1. Powell, Bill. Ed. Making Poor Nations Rich
2. Easterly, William. 2002. The Elusive Quest for Growth. MIT Press.
3. Easterly, William. 2006. The White Man's Burden. Oxford University Press.
4. Other – as listed on the outline below.

Expect for the assigned textbooks, all reading materials will be provided to students electronically via blackboard.

Grading Policy

To be successful in this class you need to read the assigned material, analyze it, and actively participate in the discussions. I will offer you a multiple opportunities to demonstrate your learning potential. As such, your final grade will constitute of:

1. Participation in the class discussions – 10%
2. Four short essay tests 4*10% - 40%
3. Group presentation and paper- 20%
4. Final Exam - 30%
5. Extra Credit – up to 10%

Class discussions – both quantity and quality matters – they are not to offset one another. Each class you can obtain from 0 to 4 points for your participation. I will I will input your scores into Blackboard after each lecture so that you can track your progress and performance.

Tests – every Thursday there will be a test composed of short essay questions. These are going to be based on the readings and lectures from the previous week. The tests are in-class, closed-book and closed-notes. I will test your ability to analyze economic problems, not your memory of minute details.

Group Presentation and Paper – You will be divided into 9 groups of 4 and asked to prepare a 40 minute presentation in a form of a case study. You will deliver your presentation in the last week of classes. Since I don't know how much each member of the group contributes towards the final effort your grade here is a combination of my

evaluation and how your group's members perceive your effort. Your group's members will assign a percentage grade to your effort. For example, if your group gets an A from me, and you get an average of 85% from your group members then you get a B, but if you got a B from me and your group evaluated you at 85% then you get a C.

Final Exam – your final will be cumulative and will test how well you have fulfilled the course objectives. Just like the short essay tests, your final will be closed book, closed notes.

Extra Credit – some extra credit opportunities may pop-up on your exam. These will come from additional recommended readings, movies or podcasts that are not specifically discussed in class.

The Grading Scale:

A+	96+	B+	87-89	C+	77-79	D+	67-69	F	<60
A	94-95	B	84-86	C	74-76	D	64-67		
A-	90-93	B-	80-83	C-	70-73	D-	60-63		

Disability statement

If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Resources at 703.993.2474. All academic accommodations must be arranged through that office.

Honor Code Statement

George Mason University has an Honor Code, which requires all members of this community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited.

All violations of the Honor Code will be reported to the Honor Committee.

See honorcode.gmu.edu for more detailed information.

Enrollment statement

Students are responsible for verifying their enrollment in this class.

Schedule adjustments should be made by the deadlines published in the Schedule of Classes. (Deadlines each semester are published in the Schedule of Classes available from the Registrar's Website registrar.gmu.edu.)

Last Day to Add: July 12

Last Day to Drop: July 12

After the last day to drop a class, withdrawing from this class requires the approval of the dean and is only allowed for nonacademic reasons.

Undergraduate students may choose to exercise a selective withdrawal. See the Schedule of Classes for selective withdrawal procedures.

Class Outline

Day	Assigned Readings ¹	Lecture Topic/ Other
Week 1		
Tuesday, July 6th	none	Why study development economics
Wednesday, July 7th	Easterly 2002 ch.1 “Economic Growth” by Paul M. Romer Econ Talk: Romer on Growth http://www.econtalk.org/archives/2007/08/romer_on_growth.html#commentsection	The importance of growth for development
Thursday, July 8th	Wikipedia entry on the Solow model Easterly 2002 ch 3-4	Understanding economic growth
Week 2		
Monday, July 12th	Easterly 2002 ch.2 Easterly 2006 ch.1-4	Panaceas that failed
Tuesday, July 13th	Mises, Ludwig von.1990. Economic Calculation in the Socialist Commonwealth. Auburn: Ludwig von Mises Institute. Hayek, F. A. (1945) “The Use of Knowledge in Society,” in F. A. von Hayek (ed.) Individualism and Economic Order, Chicago: University of Chicago Press.	Economic calculation, central planning and markets

¹ To be read ahead of class

Wednesday, July 14th	Powell ch.3-4	Entrepreneurship in the process of economic development
Thursday, July 15th	Powell ch.5 Andrei Shleifer "The Age of Milton Friedman." <i>Journal of Economic Literature</i> 47(1): 123-13	Development and economic freedom
Week 3		
Monday, July 19th	Easterly 2002 ch. 6-7 Easterly 2006 ch. 6	Accountability in the financial markets
Tuesday, July 20th	Easterly 2002 ch. 8-10 Powell ch. 1	Growth determinants
Wednesday, July 21th	Easterly 2002 ch. 11 Easterly 2006 ch. 4	Politics without romance
Thursday, July 22th	Easterly 2002 ch. 12 Easterly 2006 ch. 5	Bureaucracy and Corruption
Week 4		
Monday, July 26th	Easterly 2002 ch. 13 Easterly 2006 Chapter 8; Easterly, William. 2001. "Can Institutions Resolve Ethnic Conflict?" <i>Economic Development and Cultural Change</i> 49(4): 687-706;	Conflict
Tuesday, July 27th	Coyne, Christopher and Peter Leeson (2003). "Read All About It! Understanding the Role of Media in Economic Development." <i>Kyklos</i> 57(1): 21-44; Leeson, Peter (2008). "Media Freedom, Political Knowledge, and Participation." <i>Journal of Economic Perspectives</i>	Media

Wednesday, July 28	Easterly 2002 ch. 14 Easterly 2006 ch. 10-11	Future of Development
Thursday, July 29	Anderson, Gary M., and Peter J. Boettke (1997) "Soviet Venality: A Rent-Seeking Model of the Communist State." <i>Public Choice</i> 93:37-53	Transition in the Eastern Block
Test 4		
Week 5		
Monday, August 2nd	to be determined	Presentations Groups 1-3
Tuesday, August 3rd	to be determined	Presentations Groups 4-6
Wednesday, August 4th	to be determined	Presentations Groups 7-9
Thursday, August 5th	none	Final Exam