Syllabus

Course Content: The purpose of this course is to tackle a simple yet fundamental question: Why isn’t the whole world developed? Obviously, there are many reasons for the disparity in living standards between advanced, newly-industrialized, and developing countries. Leading explanations for economic development, or the lack thereof, that will be discussed in class include population growth and demographic transition, economic growth, income inequality, government and institutions, human capital formation, climate and natural resources, and international integration.

Lectures, Problem Sets and Exams: You are responsible for all the material and announcements in the lectures. If you miss one, borrow someone’s notes. I will distribute a number of problem sets which allow you to test your familiarity with the course material. The problem sets are also designed to prepare you for the midterm exam. The problem sets will not be graded! There will be one midterm exam. Instead of a final exam you will be asked to write a country report on a developing country of your choice. If possible, the report will be written jointly with one or two other students from your class. Finally, you will be asked to give a brief in-class presentation - again, a joint presentation is encouraged - of the content of your report toward the end of the term.

Grading: Your grade will be determined on the basis of attendance (10%), the midterm exam (30%), the country report (40%), and the class presentation (20%).

Differentiation between BA/BS and MA students: The midterm exam for undergraduate students consists of 4 questions to be answered within a 2 hour time limit. MA students face the same time constraint but will be given 6 questions. In addition, the minimal number of type written pages for the country report (excluding tables, graphs, etc) is 15 for undergraduate students and 20 for MA students.

Teaching Assistant: There is no TA assigned to this course.

Key to Success: Here are some strategies that may help you to succeed in this course:
• Keep your lecture notes as complete and accurate as possible. They will be your major source of preparation for the exams.

• After each class, go through your lecture notes and the assigned readings. Make sure you understand them. If you have questions, come and see me during my office hours or make an appointment.

• Do the homework sets carefully! Work them through repeatedly because the exam questions will be modified versions of the problem set questions.

Readings: The text for this course is: P. Hess and C. Ross: Economic Development, 1997, hereafter called ”HR”.

Course Outline

First Day of Class: Wednesday, June 2, 2004

1. Introduction (HR, Ch. 1)

2. Population Growth and Demographic Transition (HR, Ch. 2 and 7)

3. Economic Growth
   • Solow’s Neo-Classical Growth Model (HR, Ch. 3 and 4)
   • Lucas’ Endogenous Growth Model (HR, Ch. 4 and reading assignment)

4. Two-Sector Models
   • Lewis’ Two-Sector Model (HR, Ch. 4)
   • Harris-Todaro Model (reading assignment)
5. Growth and Income Inequality (HR, Ch. 5)

6. The Role of Government and Institutions
   - Economic Systems and the Role of the State (HR, Ch. 6)
   - Institutions (HR, Ch. 6, and reading assignment)

7. Human Capital Formation
   - Nutrition (HR, Ch. 8)
   - Health (HR, Ch. 8)
   - Education (HR, Ch. 8)

8. Climate and Natural Resources
   - Climate (reading assignment)
   - Natural Resources (HR, Ch. 12)

Midterm Exam (Wednesday, June 23, 2004)

9. International Integration
   - International Trade (HR, Ch. 14)
   - Foreign Direct Investment and Foreign Aid (HR, Ch. 16)
   - Migration (HR, Ch. 9)

Student Presentations (Monday, June 28, and Wednesday, June 30, 2004)