

UNIVERSITY OF UTAH
Economics Department

Econ 5530/6530
Fall 2014

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Office hours: M W 1:30 – 2:30 pm
or by appointment

Principles of Economic Development
M W 11:50 am-1:10 pm
BuC 304

Course Description: This is a survey course that has five basic objectives:

- To examine the meanings and measures of economic development;
- To present a brief historical background of today's developing economies;
- To examine the problems of poverty and income inequality common to (although not limited to) developing countries;
- To examine the major macroeconomic theories and approaches to economic development ranging from developmentalist theories to neoliberalism to new developmentalism, focusing on the problems of industrialization, external payment imbalances, recurrent debt crises, environmental degradation, structural adjustment programs and market reforms and rules that are imposed by international financial and trade institutions; conditions for foreign aid; effects of transnational corporations;
- To review briefly the debates on alternatives to the reigning neoliberal economic policies.

Upon completion of the course students can expect to attain:

- Substantial theoretical and empirical grounding in these five areas;
- Critical and global thinking skills about issues of economic development;
- Economic development literacy necessary for interpreting scholarly and popular writings.
- Awareness of how various economic development issues are related to questions of sustainability.

The course will maintain a global perspective, drawing upon applied research on a variety of countries/regions and making connections between policies and problems in developing and developed economies.

Required Texts:

- James Cypher, *The Process of Economic Development*, 4th Edition, Routledge, 2014 (Cypher)
- Readings available in electronic form via the course webpage on Canvas.

Course Requirements and Grading:

Grades in Econ 5530 will be determined by short assignments (25%), two exams (25% each), analysis papers (10% each), participation (5%).

In Econ 6530, which has an additional paper requirement, the weights will be as follows:

short assignments (15%), exams (20% each), analysis papers (15%), a research/synthesis paper (25%), participation (5%). Econ 6530 students will be held to a higher standard on exams and papers.

In either section, the course grade will not be a simple average of points but will also take into consideration such elements as effort, improvement over time, and the quality of participation.

The course webpage on Canvas will have an outline of each class meeting, the reading assignment, and study questions to help review the assigned material. This outline will be posted at the latest by noon the day before the class meeting. In addition, we will use “Announcements” and the “Discussions” tools to continue the discussion after class or share course-related news or information sources. Checking Canvas on a regular basis (i.e. at least three times a week) is vital to your success in this class. The webpage also has any additional material that you may need (statistical tables, hand-outs, notes, and the non-textbook assigned reading) and links to important annual development publications, such as the UNDP’s *Human Development Report*).

Exams: There are two mid-term exams (scheduled for Monday, **October 20** and Monday **December 3**). Each exam will draw from study questions that will be distributed one week before the exam. The exams consist of short answers and essays.

Short assignments (A): These are 1-page (double-spaced) responses to specified readings, which you will make sense of and turn in at the beginning of class on the day that these are discussed in class. We will use short readings from research think tank websites such as the Centre for Development Policy and Research (<http://www.soas.ac.uk/cdpr/>), International Policy Center for Inclusive Growth (<http://www.ipc-undp.org/>), the Carnegie Council (<http://www.carnegiecouncil.org>), the *Economist* or activist websites such as <http://www.jubileusa.org/>. Another type of short assignment will be to look up statistics and interpret them. There will be 4 or 5 of these assignments (a few of which are indicated by **A** on the schedule below). Typically these will be assigned one class or one week before they are due. No late assignments are accepted, but there will be one extra assignment in case you miss an assignment.

Analysis Papers: You will write two 3-4 page papers each analyzing a scholarly journal article or research report on the course topics of “Current Policy Issues” and “Looking Forward/ Policy Alternatives.” The papers are due on **November 24** and **December 15**, respectively. Each paper will analyze the article/report in light of the relevant section of readings and course concerns. A guideline for writing these papers (including the reading choices) will be distributed.

Participation: Class participation is a mark of good citizenship and is required. You teach each other a great deal and indeed teach me with questions and comments. It is essential that you attend every class meeting and that you are both prepared and willing to discuss the assigned reading material, respond to questions, engage one another in intellectual conversation. During the semester I expect that you will gain facility in making sense of current news. I ask that you bring to class current news items (at least one) that are relevant to course discussions. The quality of your participation will affect your grade (more broadly than the token 5% points) as well as your learning experience.

Classes will consist of lectures, small group discussion, whole class discussion.

I recommend taking notes during class. Computers may be used for note taking, but surfing the internet (or texting) is not acceptable. Pagers and cell phones must be turned off for the duration

of the class meeting. I expect you to abide by these rules.

University Policies:

Deadlines:

Drop course: Wednesday, September 3.

Add course: Monday, September 8

Withdraw from course: Friday, October 24

Americans with Disabilities Act:

The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Olpin Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations. All written information in this course can be made available in alternative format with prior notification to the Center for Disability Services.

Academic Honesty/Plagiarism: In compliance with strict standards of academic honesty, in your papers (the Econ 6530 paper, in particular) you should always cite/reference any words or ideas that are not your own. Sharing of others' essays, uses of pre-written, purchased, or downloaded materials also violates academic honesty, which are grounds for failure or dismissal from the course and from the University. Making a habit of using your own words as much as possible is helpful in guarding against problems in this respect. Whenever in doubt, please ask me.

Course Schedule and Readings

Any changes in this schedule or readings will be announced in class and reflected in the outlines posted on Canvas. For example, some assignment readings are not yet reflected on the syllabus. In addition, at times I will assign brief news articles to complement the readings for discussion in the next class meeting. Each student is responsible for keeping up to date with these changes.

August 25 Introductions

Course objectives, themes, and expectations

Part I: An Overview of Economic Development and Underdevelopment

Aug. 27, Sept 3 & Sept. 8 Understanding Underdevelopment and Development

Cypher Ch. 1: 3-6; Table 1.1 Part II; Focus 1.2, 1.3; 13-30.

Jeffery Sachs. 2005. "A Global Family Portrait" in Jeffrey Sachs, *The End of Poverty*, 5-20, 24-25.

Amartya K. Sen. 1999. "The Ends and the Means of Development" in A.K. Sen, *Development as Freedom*, Alfred Knopf.

Gilbert Rist. 2007. "Development as a Buzzword" *Development in Practice*, 17(4/5): 485-491.

Ha-Joon Chang. 2011. "Hamlet without the Prince of Denmark" in S. R. Khan and J. Christiansen, eds. *Towards New Developmentalism*, Routledge.

Kates, Parris, and Leiserowitz. 2005. What is Sustainable Development? Goals, Indicators, Values, and Practice” *Environment* 47 (3): 8-21.

Monday Sept 1 Labor Day—No Class meeting

Sept. 10, 15 & 17 History Matters: Colonialism and Neocolonialism

Cypher Ch. 3.

Daron Acemoglu. 2003. “Root Causes: A historical approach to assessing the role of institutions in economic development” *Finance & Development*, June: 27-30.

Stephen Kinzer. 2006. *Overthrow*—case studies on Iran, Guatemala, Chile (**A1**—due on 9/17)

Sept. 22& 24 Measures of Development

Cypher Ch. 2.

UNDP, *Human Development Report 2014*, Table 1: 160-163.

Redefining Progress, 2007. *Genuine Progress Indicator 2006* pp. 1-3 and pp.18-20.

FILM: *Who’s Counting?* (1995) parts to be viewed in class

Due: A (Sept 24)

Sept. 29 Poverty and Inequality

Cypher Ch.1 (cont’d) and Ch. 2 (cont’d)

Oct. 1, 6 & 8 Poverty and Inequality: Policy Options

Todaro and Smith 2012: 404-407;763-767.

Christa Wichterich, 2012. “The Other Financial Crisis: Growth and Crash of the Microfinance Sector in India” *Development* 55(3): 406-412.

Abhijit Banerjee and Esther Duflo. 2011. *Poor Economics*, Ch. 7.

Due: A on policies (Oct. 6 or 8)

FALL BREAK—M-Sat Oct. 13-18---NO CLASSES

Oct. 20 FIRST MID-TERM EXAM

Part II. Alternative Macroeconomic Approaches to Economic Development

Oct. 22 & 27 Developmentalist Theories to Heterodox Theories

Cypher Chs. 5 & 6

P. A. Baran, 1952. "On the Political Economy of Backwardness" *The Manchester School*, 20 (1) (excerpt).

Oct. 29 Initiating Industrialization: Import Substitution

Cypher Ch.9

Nov. 3 The Debt Crisis: A Historical Overview

Cypher 16 (Ch. 15 excerpts as background)

Nov. 5& 10 Neoliberalism: Export Promotion and Structural Adjustment

Cypher Ch. 7: 237-254; Ch. 17

D. Lal, 1985. "The Misconceptions of Development Economics" *Finance and Development* 22(2): 10-13.

Barry Riddell, 1992. "Things Fall Apart Again: Adjustment Programmes in Sub-Saharan Africa" *The Journal of Modern African Studies* 30 (1) (excerpt)

Nov. 12 Neoliberalism (cont'd)

FILM: *Rich World, Poor Women* (2003) the Senegal case

GDAE. 2008. *The Promise and Perils of Trade Liberalization in Latin American Agriculture*: 3-9 and either 10-15 or 16-20.

McKinley. 2009. "Why has domestic revenue stagnated in low-income countries? CDPR #41

Harris, "Trade and Environment" excerpt.

Nov. 17& 19 A Heterodox Challenge to Neoliberalism: East Asian Economies

Cypher Ch. 7: 254-269; Ch.10

Robert Wade 2011. "Market as means rather than a master: The crisis of development and the future role of the state" in S.R. Khan and J. Christiansen, eds. *Towards New Developmentalism*, Routledge, pp. 31-43

Nov. 19 Case studies of East Asia

Either Rodrik. 1995. "Taking Trade Policy Seriously" 560-564 or

Qian. 2003. "How Reform Worked in China."

Nov. 24 Current Policy Issues: Discussion of Evidence and Analysis

Discussion of Analysis Paper 1

Nov 26 Due: Analysis Paper 1 on Current Policy Issues

Nov. 26 Foreign Direct Investment: Transnational Corporations

Cypher Ch. 14

Dec. 1 Foreign Direct Investment (cont'd)

Cypher Ch. 14

Dec. 3 SECOND MID-TERM EXAM--covers material since first midterm

Part III. Looking Toward the Future: Challenges, Debates on Alternatives

Dec. 8

Woods. 2008. "China, Emerging Donors and the Silent Revolution in Development Assistance" *International Affairs* 84(6): 1205- 1221.

Zarsky, Lyuba and Leonardo Stanley 2013. "Can Extractive Industries Promote Sustainable Development? A Net Benefits Framework and a Case Study of the Marlin Mine in Guatemala" *The Journal of Environment Development* 22: 131

Maathai Wangaari 2009. "Planting the Future" Speaking of Faith Series, NPR, 30 August 2009 (podcast)

S. R. Khan 2011. "Towards new developmentalism: Context, Program, and Constraints" in S.R. Khan and J. Christiansen, eds. *Towards New Developmentalism*, Routledge.

Alice H. Amsden 2005. "Promoting industry under WTO law" in Kevin Gallagher, ed., *Putting Development First*, Zed Books.

Dec. 10 Emerging Challenges, Alternative Strategies and Policies
Discussion of Analysis Paper 2

Dec. 10 Wrap up and evaluation

Dec. 15 Due: Analysis Paper 2 by 5 pm Monday, Dec. 15 in paper form, at OSH 377.

Dec. 17 Due: Econ 6530 paper by 5 pm Wednesday, Dec. 17 in paper form, at OSH 377.