

Economics of Developing Areas

Econ 360
Spring 2017
Tuesdays and Thursdays, 3:00-4:15
Planetary Hall 212

Instructor – Byron Carson
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Office Hours – By appointment

Course Description

Why are some nations wealthy, while others are not? What can be done, if anything, to alleviate poverty? These are some of the oldest questions in economics, at least since Adam Smith wrote *An Inquiry into the Nature and Causes of the Wealth of Nations*. This course will continue the inquiry by analyzing the theoretical and empirical underpinnings of economic development.

Once the course is completed, I expect you to be comfortable with the theory and history of developing areas. You should be able to clearly articulate a position on why some nations prosper and why others fail.

Required Texts

- Deaton, Angus. 2013. *The Great Escape: health, wealth, and the origins of inequality*. Princeton University Press.
- North, Douglass. 1990. *Institutions, Institutional Change, and Economic Performance*. Cambridge University Press.
- Powell, Benjamin. 2008. *Making Poor Nations Rich: Entrepreneurship and the Process of Economic Development*. Stanford University Press.
- Rapley, John. 2007. *Understanding Development: Theory and Practice in the Third World*. Lynne Rienner.

Grading

Your grade will be determined by in-class participation, two midterms, a final exam, and a research paper. Final grades will be calculated as follows:

Participation:	20%
Mid Term:	20%
Final Exam:	25%
Research Paper:	35%

Class Participation: Come to class on time and prepared to discuss the relevant material. The lectures build on each other; missing lectures makes your job harder! There will also be

numerous discussions throughout the course, which I expect you to participate in and learn from. Please come prepared to ask at least three questions from the selected readings.

Mid Term and Final Exams: These exams will be a combination of short answer and multiple choice questions. The midterm exam is not cumulative; it will test your comprehension of the material immediately preceding the exam. The final exam, however, will be cumulative. If you miss a midterm, your final will be weighted accordingly. If you miss the midterm, the final will be worth 45% of your final grade. Recall that university policy states unexcused absences from the final exam earn a failing grade.

Research Paper: You will write a 15-page paper on a topic in development economics. Its purpose is for you to explain why some area or areas have developed, while others have not. I will be grading the paper on the clarity of your thought and the ability to express your thoughts. To ensure the paper's timely completion, I would like for you to adhere to a number of deadlines. Please tell me your intended topic and receive my approval by Feb. 23; please turn in a first draft, hard copy, by March 28; and please turn in a final paper, hard copy, by May 2.

Please conform to the following specifications:

- One cover page with the title, your name, abstract, date, and honor code pledge
- Fifteen pages of text, excluding graphs or tables
- A Works Cited or Reference section; you may use whichever style, but be consistent
- Double-spaced
- 12-pt. Times New Roman Font
- 1-inch margins

Specifically, the paper will be graded as follows:

Approval:	15%
First Draft:	35%
Final Draft:	50%

Grading Scale

A: 93-100 B: 85-92 C: 77-84 D: 66-76 F: <65

Important Dates

First Day of Classes – January 23
Last Day to Add – January 30
Final Drop Deadline – February 24
Spring Break – March 13-19
Last Day of Classes – May 6
Reading Days – May 8-May 9
Final Exam – May 11 at 1:30-4:15

Academic Integrity

I expect all students to strictly follow the University Honor Code, which can be consulted online in the student Handbook.

Disability Resource Center

Students with disabilities who require academic accommodation for this course are to contact the Office of Student Disability Services (ODS). All academic accommodations must be arranged through the ODS. Information for students is available here: <http://ods.gmu.edu> or by phone at (703) 993-2474.

Campus Resources

Writing Center: A114 Robinson Hall; (703) 993-1200; <http://writingcenter.gmu.edu>
University Libraries: library.gmu.edu

Course Outline

I will try my best to stick to this schedule, but I reserve the right to alter it as the need arises. I also reserve the right to alter the readings. If changes are necessary I will notify you in class and/or by email.

Date		Topic		Readings
Jan. 24	1	The Great Divergence		Deaton (2013), Introduction and Chapter 1
Jan. 26		Review of Market and Political Behavior		Rapley (2007), chapter 1-3
Jan. 31	2	The Goal and Measurement of Development		Rapley (2007), chapter 4-5
Feb. 2		Discussion		Docquier and Rapoport (2012)*
Feb. 7	3	Theories of Development		Rapley (2007), chapter 6
Feb. 9		Discussion		O Grada (2016)*
Feb. 14	4	Institutions I		North (1990), Chapter 1-4
Feb. 16		Discussion		North (1990), Chapter 5-8
Feb. 21	5	Institutions II		North (1990), Chapter 9-11

Feb. 23		Discussion		van der Ploeg (2011)*
Feb. 28	6	Institutions III		North (1990), Chapter 12-14
Mar. 2		Discussion		Bardhan (2016)*
Mar. 7	7	Review		
Mar. 9		Midterm		
Mar. 21	8	Discussion on China		Xu (2011)*
Mar. 23		Discussion on India		Basu (2008) and Kotwal et al. (2011)*
Mar. 28	9	Democracy and Dictators		
Mar. 30		Discussion		Schneider and Enste (2000)
Apr. 4	10	Culture		
Apr. 6		Discussion		Iyer (2016)*
Apr. 11	11	Health and Wealth I		Deaton (2013), Chapter 2-3
Apr. 13		Discussion		Deaton (2013), Chapter 4
Apr. 18	12	Health and Wealth II		Deaton (2013), Chapter 5
Apr. 20		Discussion		Deaton (2013), Chapter 6
Apr. 25	13	Humanitarian Action		Deaton (2013), Chapter 7
Apr. 27		Discussion		Easterly (2009)
May 2	14	Review		
May 4		Review		
May 11		Final Exam		

Readings for Discussion:

- Bardhan, Pranab. 2016. "State and Development: The Need for a Reappraisal of the Current Literature." *Journal of Economic Literature* 54(3): 862-92.
- Basu, Kaushik. 2008. "The Enigma of India's Arrival." *Journal of Economic Literature* 46(2): 396-406.
- Docquier, Frederic, and Hillel Rapoport. 2012. "Globalization, Brain Drain, and Development." *Journal of Economic Literature* 50(3): 681-730.
- Easterly, William. 2009. "Can the West Save Africa?" *Journal of Economic Literature* 47(2): 373-447.
- Iyer, Sriya. 2016. "The New Economics of Religion." *Journal of Economic Literature* 54(2): 395-441.
- Kotwal, Ashok, Bharat Ramaswami, and Wilima Wadhwa. 2011. "Economic Liberalization and Indian Economic Growth: What's the Evidence?" *Journal of Economic Literature* 49(4): 1152-1199.
- O Grada, Cormac. 2016. "Did Science Cause the Industrial Revolution?" *Journal of Economic Literature*, 54 (1): 224-39.
- Schneider, Friedrich and Dominik Enste. 2000. "Shadow Economies: Size, Causes, and Consequences." *Journal of Economic Literature* 38(1): 77-114.
- van der Ploeg, Frederick. 2011. "Natural Resources: Curse or Blessing?" *Journal of Economic Literature* 49(2): 366-420.
- Xu, Chenggang. 2011. "The Fundamental Institutions of China's Reforms and Development." *Journal of Economic Literature*, 49(4): 1076-1151.