



## **ECONOMICS 360: Economics of Developing Areas**

Spring 2017

T-TH 10:30 – 11:45 am

Robinson Hall B222

**Prof. Patricia A Saenz**

Office Hours: W, F 10:40-12:00 by appointment only

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**Prerequisites:** ECON 103 and 104, or permission of instructor.

**Overview:** This course deals with the question “why are some countries rich and others poor?” We will attempt to answer that question together through the study of the different theories of economic growth according and their applications, as well as a look into poverty alleviation policies. We will study the macroeconomic and microeconomic aspects of growth and development through the lens of poor and developing countries.

Students are expected to have acquainted themselves with the particular weekly topics via assigned readings before the class in order to contribute to class discussion. It is also encouraged that students keep up to date with news and events related to the course topic.

<b>Requirements:</b>	<b>date</b>	<b>grading weight</b>
Midterm exam	Thursday, March 9 <sup>th</sup> 2017	30%
Final exam	Tuesday, May 16 <sup>th</sup> 2017@ 10:30am	35%
Group Paper and Presentations	Tuesday, April 25 <sup>th</sup> 2017	25%
Class <i>attendance and participation</i>		10%

The final exam date is fixed by GMU. The final exam will be cumulative.

**Research Paper and Presentations:** Paper topics need to be preapproved no later than Tuesday, February 21<sup>st</sup> 2017. Students will form groups of no more than 4, choose a country/set of countries/comparison of two or more countries to research the issues with their economic development according to what we study in class. Topics must be unique. The paper's expected length is between 2500 and 3000 words, not including bibliography nor cover page. Groups will submit their completed papers on April 25<sup>th</sup> for a first review. During the last three sessions, on randomly assigned time slots, groups will do a 15-minute presentation of their papers to the class followed by 5 minutes of Q&A where they will receive comments, questions and suggestions. Each group will be responsible to incorporate those to the paper and submit the final version the Tuesday before the final exam, May 9<sup>th</sup> 2017 before the end of the day. Submissions may be electronic in pdf format, and use of LaTeX, BibTeX and Beamer is highly encouraged and will receive a bonus over the paper's grade. Presentations either on Beamer on PowerPoint should be emailed to me at the end of the day before your allocated presentation time.

**The following policies are stated as a matter of record.** (1) The content of your papers must be exclusively your own work, free from plagiarism, and not submitted to any other course. You are responsible for knowing proper attribution practices (that is,

how to avoid plagiarism). See the guidelines at <http://www.indiana.edu/~wts/pamphlets/plagiarism.shtml> . (2) Late papers will be penalized as follows: an "A" paper received on due date Wednesday becomes an "A-" on Thursday, "B+" on Friday, "B" on Saturday, etc. (3) Plagiarism or cheating is grounds for an "F" on the paper or exam. (4) Failure to take an exam at the scheduled time will result in an exam score of zero (absent a valid medical excuse or certified final exam conflict). You may not take an exam at a different time from the rest of the class. Please don't ask. (5) No one will be permitted to leave an exam before 30 minutes have elapsed, or to enter after anyone has left. (6) Performance on these exams and papers, and participation in class discussions, will be the only bases for grading. No other "extra credit" will be assigned or accepted.

### **Required books:**

1. Title: *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*  
Author: William Easterly
2. Title: *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*  
Authors: Abhijit Banerjee, Esther Duflo

Additional readings may be assigned during the course of the semester.

### **Structure of the course:**

Week of 1/23-1/27: Introduction, Poverty Trap (Banerjee&Duflo Ch. 1; Easterly, Ch. 1; Sachs, Ch. 3)

Week of 1/30-2/3: Theories of Economic Growth (Easterly, Ch. 3)

Week of 2/6-2/10: Trade and economic freedom (Gwartney&Holcombe, Economic Freedom, Institutional Quality and Cross Country Differences; Easton&Walker, Income Growth and Economic Freedom; Edwards, Oppennes, Trade and Growth)

Week of 2/13-2/17: Fiscal and Monetary Stability and Investment (Sachs, Ch. 5; Easterly Ch. 6, 7, 11)

Week of 2/20-2/24: Income Inequality (Easterly, Ch. 13), final date for topic approval

Week of 2/27-3/3: Institutions (North, Institutions; Acemoglu&Robinson Ch. 11-12)

Week of 3/6-3/10: Property Rights (Coase, Social Cost), Midterm Exam

Week of 3/13-3/17: Spring Break – No Classes

Week of 3/20-3/24: Politics (Banerjee&Duflo, Ch. 10)

Week of 3/27-3/31: Foreign Aid (Easterly, Ch. 2; Skarbek&Leeson, What can Aid do?)

Week of 4/3-4/7: Population and Health (Banerjee&Duflo, Ch. 3, 5; Easterly, Ch. 5)

Week of 4/10-4/14: Education (Banerjee&Duflo, Ch. 4; Easterly, Ch. 4)

Week of 4/17-4/21: Financial and credit issues (Banerjee&Duflo, Ch. 8, 9)

Week of 4/24-4/28: Conclusions, Paper due for first review, Paper Presentations

Week of 5/1-5/5: Paper Presentations

Tuesday 5/9: Final version of paper due.

Final Exam: Tuesday, May 16<sup>th</sup> 2017 10:30 a.m.