

ECON 360-003: ECONOMICS OF DEVELOPING AREAS

Spring 2020

Instructor:	Henry Thompson	Time:	T,Th 10:30-11:45am
Email:	hthomps@gmu.edu	Place:	Robinson Hall B224.

Office Hours: By appointment. My desk is located in the Mercatus Center in Buchanan Hall, Suite D101. Use the main entrance of the Mercatus Center, then turn left at the reception desk. Continue until you see a large room with several rows of desks. My desk is in the last row on the left, number D134-20.

Required Texts: I plan to assign papers or excerpts from books other than *The Elusive Quest for Growth*. Links to such readings are below.

- William Easterly (WE), *The Elusive Quest for Growth*, 2002.

Recommended Sources:

- Armen Alchian and William R. Allen (AA), *Universal Economics*, 2018. ([Link](#))

Prerequisites: ECON 103 and 104

Course Description and Expectations: This class will explore a question over two hundred years old, first posed by Adam Smith in his 1776 treatise *An Inquiry into the Nature and Causes of the Wealth of Nations*: why are some nations rich while others are poor? For those countries that are poor, how can they become rich? This is a wide-ranging class that, in an attempt to grapple with Smith's timeless question, will cover topics such as the necessary and sufficient conditions for growth, the relationship between economic theory and practice, and why incentives matter.

Global Understanding Learning Outcomes: The goal of global understanding courses is to help students see the world from multiple perspectives, reflect upon their positions in a global society, and be prepared for future engagement as global citizens. While it may include a historical perspective, global understanding courses focus primarily on a contemporary understanding of one's place in a global society.

Objectives:

1. Identify and articulate one's own values and how those values influence their interactions and relationships with others, both locally and globally.
2. Demonstrate understanding of how the patterns and processes of globalization make visible the interconnections and differences among and within contemporary global societies.
3. Demonstrate the development of intercultural competencies.
4. Explore individual and collective responsibilities within a global society through analytical, practical, or creative responses to problems or issues, using resources appropriate to the field.

Tentative Course Outline (assigned readings in italics):

- **Week 1** (January 21)

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- “The Great Fact”; What is Development?; Syllabus
 - **Week 2** (January 28)
 - Review of the economic way of thinking
 - * *Marginal Revolution University microeconomics videos are recommended for review but not required.* ([Link](#))
 - * *AA, chapters 1-5* ([Link](#))
 - **Week 3** (February 4)
 - “The Great Fact”; Measuring Economic Development; The ‘development’ of Development Economics
 - * *Quizzes Begin*
 - * *WE: Introduction, Chapter 1*
 - * *Richard Easterlin “The Worldwide Standard of Living Since 1800”* ([Link](#))
 - * *Charles Jones “The Facts of Economic Growth”* ([Link](#))
 - **Week 4** (February 11)
 - Factors out of our control: Geography, History
 - * *Jeffrey Sachs, Andrew Mellinger, and John Gallup “The Geography of Poverty and Wealth”* ([Link](#))
 - * *Philip R. P. Coelho “Reviewed work: Guns, Germs, and Steel: The Fates of Human Societies. by Jared Diamond”* ([Link](#))
 - * *Joel Mokyr “Joel Mokyr on Guns, Germs and Steel: The Fates of Human Societies”* ([Link](#))
 - * *Jeffrey Sachs and Andrew Warner “The Curse of Natural Resources”* ([Link](#))
 - **Week 5** (February 18)
 - ‘Poverty Begets Poverty’; The Big Push and Foreign Aid
 - * *WE: Chapter 2, 3, 6*
 - * *David Skarbek and Peter Leeson “What Can Aid Do?”* ([Link](#))
 - * *Peter Leeson “Escaping Poverty” Pages 39-51* ([Link](#))
 - **Week 6** (February 25)
 - Institutions
 - * *WE Chapter 13*
 - * *Oliver C. Williamson “The New Institutional Economics: Taking Stock, Looking Ahead”* ([Link](#))
 - * *Douglass C. North “The New Institutional Economics and Development”* ([Link](#))
 - * *Douglass C. North “Institutions”* ([Link](#))
 - **Week 7** (March 3)
 - REVIEW AND MIDTERM
 - **Week 8** (March 10)
 - SPRING BREAK NO CLASS
 - **Week 9** (March 17)

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- Democracy and Dictatorship; Corruption
 - * *WE: Chapter 11, 12*
 - **Week 10** (March 24)
 - Free Trade and Economic Freedom
 - * *Randall Holcombe “Economic Freedom and Economic Growth”* ([Link](#))
 - * *Niclas Berggren “The Benefits of Economic Freedom”* ([Link](#))
 - * *Nina Pavcnik “Benefits and Costs of Free Trade for Less Developed Countries”* ([Link](#))
 - **Week 11** (March 31)
 - Property Rights
 - * *Harold Demsetz “Toward a Theory of Property Rights”* ([Link](#))
 - * *Ludwig von Mises “Economic Calculation in a Socialist Common Wealth”* **Pages 1-30** ([Link](#))
 - * *Peter Leeson “Escaping Poverty”* **Pages 52-60** ([Link](#))
 - **Week 12** (April 7)
 - Formalization; The State’s role in Economic Development
 - * *William Easterly “Institutions: Top Down or Bottom Up?”* ([Link](#))
 - * *Raghuram Rajan “Assume Anarchy?”* ([Link](#))
 - * *Bruce Benson “The Spontaneous Evolution of Commercial Law”* ([Link](#))
 - * *Peter Leeson “Efficient Anarchy”* ([Link](#))
 - **Week 13** (April 14)
 - Formal and Informal Institutions; Culture
 - * *Carrie Kerekes and Claudia Williamson “Propertyless in Peru, Even with a Government Land Title”* ([Link](#))
 - * *Peter Boettke, Chris Coyne, and Peter Leeson “Institutional Stickiness and the New Development economics”* ([Link](#))
 - * *Claudia Williamson and Carrie Kerekes “Securing Private Property: Formal Versus Informal Institutions”* ([Link](#))
 - * *Robert Ellickson “A Hypothesis of Wealth-Maximizing Norms: Evidence from the Whaling Industry”* ([Link](#))
 - **Week 14** (April 21)
 - Population, Education, and RCTs
 - * *P.T. Baur “Population Explosion: Disaster or Blessing”* ([Link](#))
 - * *WE: Chapter 4*
 - * *Esther Duflo TED talk* ([Link](#))
 - * *Kelsey Piper Vox Article on the 2019 Nobel Prize in Economics* ([Link](#))
 - * *Angus Deaton “Randomization in the tropics revisited: a theme and eleven variations”* ([Link](#))
 - **Week 15** (April 28)
 - Review
 - **Final Exam**

– Tuesday, May 12, 10:30am-1:15pm

Grading Policy: The final grade consists of daily quizzes (30%), a midterm (35%), and a final examination (35%). Every class will start with a quiz, but I will drop the four lowest quizzes. Quizzes are short and are designed to 1) ensure attendance and 2) students do the assigned readings. Vocal participation in class is **strongly** recommended. Exams and quizzes are closed book and there are no makeups, no exceptions. Furthermore, be aware that I do not share student grades via email.

Grading Scale: A+: 100-98 A: 97-93. A-: 92-90. B+: 89-88. B: 87-82. B-: 82-80. C+: 79-77. C: 76-73. C-: 72-70. D: 69-60. F: Below 60

Important Dates:

Midterm March 5
Final Exam May 12

Class Policy:

- All electronics must remain OFF during class.

Special Accommodations: If you are a student with a disability and you need academic accommodations, please see me and contact Disability Services at 703-993-2474 or ods.gmu.edu. All academic accommodations must be arranged through that office.

Policy Regarding Audio/Video Recording and Pictures For the privacy and comfort of your fellow students, audio and video recordings, as well as photography, is strictly prohibited during class.

Academic Dishonesty: Cheating will not be tolerated and can result in a failing grade, dismissal from class, and expulsion from the university. If I suspect you of cheating, I will seek the appropriate punishment under George Mason University guidelines. Please review the George Mason University Honor System and Code. Please visit <http://oai.gmu.edu/> to familiarize yourself with the full terms of the GMU Honor Code.

Notice of Mandatory Reporting of Sexual Assault, Violence, and Stalking: I am designated as a “Responsible Employee,” and must report all disclosures of sexual assault, interpersonal violence, and stalking to Mason’s Title IX Coordinator per University Policy 1412. You may seek assistance from Mason’s Title IX Coordinator, Jennifer Hammat, by calling 703-993-8730 or email cde@gmu.edu. If you wish to speak with someone confidentially, please contact one of Mason’s confidential resources, such as Student Support and Advocacy Center (SSAC) at 703-993-3686 or Counseling and Psychology Services (CAPS) at 703-993-2380. The 24-hour Sexual and Intimate Partner Violence Crisis Line for Mason is 703-380-1434.

Privacy: Student privacy is governed by the Family Educational Rights and Privacy Act (FERPA) and is an essential aspect of any course. Students must use their MasonLive email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address.