WELLESLEY COLLEGE

Economics 220

**Development Economics, Spring 2013**

David L. Lindauer Office Hours:

PNE 422 T 12:00-1:15; Th 4:15-5:30;

781-293-2159 and by appointment

Economics 220, Development Economics, is an introduction to the study of the economic circumstances and problems of low and middle-income economies. The course considers the contributions economic analysis can make to explaining why some nations are poor and others rich. It reviews alternative theories of economic growth and examines a number of specific issues central to the lives of the more than 5.8 billion people who live in the developing world.

**COURSE REQUIRMENTS**

Economics 101 and 102 are prerequisites for Econ 220; Economics 103 is recommended. One in-class examination covering Sections I-V of the syllabus will be given on or about March 12. A final exam, covering Sections VI-XI, will be given during Final Exam Period. There will be weekly assignments, including problem sets, short essays, brief research assignments and Case Studies. Students will complete four map quizzes that require identification of countries in the various regions of the developing world. The midterm, final exam and assignments (including map quizzes) each count for one third of the final course grade.

**COURSE MEETINGS**

Econ 220 is scheduled to meet in PNE 127 on Tuesday and Friday from 9:50-11:00 and at the same time on the following Wednesdays: February 13 and 27; March 13; April 3 and 17, and May 8.

**TEXT**

Dwight H. Perkins, Steven Radelet, David L. Lindauer and Steven Block, *Economics of Development* 7e (W. W. Norton, 2012). (This volume is referred to as TEXT below.)

***e*-RESOURCES**

Economics 220 has a dedicated Google Group (ECON-220-01-SP13) and Google Drive/Docs Collection. Copies of the syllabus, assignments, articles and other information will be posted in these locations. Students are expected to check for messages in our Google Group regularly. The Google Group should be used by all members of the class to raise questions and exchange information.

In addition to the textbook, course readings are drawn from a variety of sources. Journal articles generally are available online. Go to the Wellesley College Library’s Catalogue and search for the journal by its title. Select the online version. Some assigned material is available from the web with URLs indicated on the syllabus. Other items (*e-R*) may be found in the Google Drive/Docs collection.

***Throughout the course you are expected to make ACTIVE USE of assigned readings.***

**I. What is Economic Development? (January 29 – February 8)**

TEXT, Chapter 1, “Patterns of Development” and Chapter 2, “Measuring Economic Growth and Development”

C. Kenny, “Attention, Doomsayers: Global Quality of Life is Improving,” Chronicle of Higher Education (March 27, 2011); <http://chronicle.com/article/Attention-Doomsayers-Global/126869/>

United Nations Development Programme, "Defining and Measuring Human Development," Human Development Report, 1990, pp. 9-16. <http://hdr.undp.org/en/media/hdr_1990_en_chap1.pdf>

A. Kelley, "The Human Development Index: Handle with Care," Population and Development Review 17 (June 1991), pp. 315-24.

M. Clemens and T. Moss, “What’s wrong with the Millennium Development Goals?” CGD Brief (September 2005); <http://www.cgdev.org/content/publications/detail/3940>

C. Graham, “Happy Peasants and Miserable Millionaires,” Brookings Institution (Jan. 30, 2010); <http://www.brookings.edu/opinions/2010/0130_happiness_graham.aspx>

**II. What Determines Economic Growth? (February 12 - 15)**

L. Pritchett, “Divergence, Big Time,” Journal of Economic Perspectives (Summer 1997), pp. 3-17.

TEXT, Chapter 3, “Economic Growth: Concepts and Patterns”

S. Radelet, “Emerging Africa: How 17 African Countries are Leading the Way,” CGD Brief

(September 2010); <http://www.cgdev.org/files/1424419_file_EmergingAfrica_FINAL.pdf>

J. Diamond, “Why Did Human History Unfold Differently on Different Continents For The Last 13,000 Years?” [www.edge.org/3rd\_culture/diamond/diamond\_p1.html](http://www.edge.org/3rd_culture/diamond/diamond_p1.html)

D. Acemoglu, “Root Causes,” Finance & Development (June 2003), pp. 27-30.

<http://www.imf.org/external/pubs/ft/fandd/2003/06/pdf/Acemoglu.pdf>

J. Sachs, “Institutions Matter, but Not for Everything,” Finance & Development (June 2003),

pp. 38-41. <http://www.imf.org/external/pubs/ft/fandd/2003/06/pdf/sachs.pdf>

J. Sachs, “Government, Geography and Growth,” Foreign Affairs (Sept./Oct. 2012)

1. **Theories of Economic Growth (February 20 - 26)**

TEXT, Chapter 4, “Theories of Economic Growth”

C. Pages-Serra, ed., “Executive Summary,” The Age of Productivity: Transforming Economies from the Bottom Up (IDB, 2010), pp. 1-16; <http://www.iadb.org/research/dia/2010/summary/DIA_booklet_eng.pdf>

The Economist, “The road to hell is unpaved,” (Dec. 19, 2002).

W. Easterly, “Aid for Investment,” The Elusive Quest for Growth (MIT: 2001), pp. 25-44. (*e-R*)

**IV. "The Washington Consensus" (February 27 – March 5)**

TEXT, Chapter 5, “States and Markets”

L. Summers and V. Thomas, "Recent Lessons of Development," World Bank Research Observer (July 1993), pp. 241-54. (*e-R*)

J. Williamson, "The Washington Consensus Revisited," Economic and Social Development into the XXI Century, L. Emmerij, ed. (IDB: 1997), pp.48-69. (*e-R*)

J. Williamson, “A Short History of the Washington Consensus” (2004); <http://www.iie.com/publications/papers/williamson0904-2.pdf>

S. Radelet, “Chapter Four: Stronger Economic Management,” Emerging Africa (CGD: 2010),

pp. 71-89. (*e-R*)

D. Yergin and J. Stanislaw, “The Agony of Reform,” Commanding Heights (2002), (Knapp Reserves)

Harvard Business School Case, "India on the Move" (2003)

**V. Beyond the Washington Consensus (March 6-15)**

D. Lindauer and L. Pritchett, “What’s the Big Idea? The Third Generation of Policies for Economic Growth,” Economia (Fall 2002), pp. 1-18. (*e-R*)

D. Rodrik, “Goodbye Washington Consensus, Hello Washington Confusion?” Journal of Economic Literature (December 2006), pp. 973-987. (*e-R*)

N. Birdsall, D. Rodrik and A. Subramanian, “How to Help Poor Countries,” Foreign Affairs (July/August 2005).

**VI. Inequality and Poverty (March 26 – April 3)**

TEXT, Chapter 6, “Inequality and Poverty”

H. Rosling, “Debunking third-world myths,” (Feb. 2006); <http://www.ted.com/index.php/talks/view/id/92>

A. Deaton, “Measuring Poverty,” Understanding Poverty, ed. A. Banerjee (Oxford: 2006) (*e-R*)

The Economist, “The mountain man and the surgeon,” (December 20, 2005).

**VII. Microfinance (April 5)**

A. Banerjee and E. Duflo, “The Men from Kabul and the Eunuchs from India: The (Not so) Simple Economics of Lending to the Poor,” Poor Economics (Public Affairs: 2011), pp. 157-82. (*e-Book*)

D. Roodman, “Think Again” Microfinance,” Foreign Policy (February 2012)

Hernando de Soto, “Globalization: Breaking Barriers to Participation,” (Feb. 19, 2004); <http://forum.iop.harvard.edu/content/globalization-breaking-barriers-participation>

**VIII. Population (April 9 - 17)**

TEXT, Chapter 7, “Population”

J. Tierney, "Fanisi's Choice," Science 86, (Jan/Feb 1986), pp. 26-42. (*e-R*)

D. Malakoff, “Are More People Necessarily a Problem?”; J. Kaiser, “Does Family Planning Bring Down Fertility?”; and J. Bongaarts and S. Sinding, “Population Policy in Transition in the Developing World”, Science, Population Issue (July 29, 2011), pp. 544-46; 548-49; 574-76.

A. Banerjee and E. Duflo, “Pak Sudarno’s Big Family,” Poor Economics (Public Affairs: 2011),

pp. 103-29. (*e-Book*)

**IX. Education (April 19 - 23)**

TEXT, Chapter 8, “Education”

M. Kremer et al., “Teacher Absence in India: A Snapshot,” Journal of the European Economic Association (April-May 2005), pp. 658-667. (*e-R*)

A. Banerjee and E. Duflo, “Addressing Absence,” Journal of Economic Perspectives (Winter 2006), pp. 117-132.

TED, “Esther Duflo: Social experiments to fight poverty” (Feb 2010); <http://www.ted.com/talks/esther_duflo_social_experiments_to_fight_poverty.html>

M. Rosenzweig, “Thinking Small: A Review of *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty …”* Journal of Economic Literature (March 2012), pp. 115-127.

**X. Trade and Development (April 26 - 30)**

TEXT, Chapter 17, “Trade and Development”

P. Collier, “The Natural Resource Trap,” The Bottom Billion (Oxford, 2007), pp. 38-52. (*e-R*)

TED, “Paul Collier on the Bottom Billion" (March 2008); <http://www.ted.com/talks/paul_collier_shares_4_ways_to_help_the_bottom_billion.html>

Harvard Business School Case, “Angola and the Resource Curse” (2010).

**XI. Foreign Aid (May 7-8)**

TEXT, Chapter 14, “Foreign Aid”

J. Sachs, ‘Can Extreme Poverty Be Eliminated?” Scientific American (Sept. 2005), pp. 56-65.

W. Easterly, “The Big Push Déjà Vu: A Review of Jeffrey Sachs’s *The End of Poverty: Economic Possibilities for Our Time*,” Journal of Economic Literature (March 2006), pp. 96-105. (*e-R*)

S. Chayes, “Scents & Sensibility,” The Atlantic (December 2007).

N. Kristof, “Aid: Can It Work?,” The New York Review of Books (October 5, 2006) <http://www.nybooks.com/articles/19374>