

Economics of Development
PAI 757 / ECN 661
Spring 2024

John McPeak
333 Eggers Hall
Office Phone: (315) 443-6146
My web page: <https://jomcpeak.expressions.syr.edu/>
Class web page: <https://jomcpeak.expressions.syr.edu/pai-757-ecn-661/>
e-mail: jomcpeak@syr.edu
Class : Tu Th 12:30-1:50 Eggers 113
Office Hours: Tu Th 11:00-12:00.

Course Description:

This course will familiarize the student with a variety of alternative theories on what causes (or hinders) economic development. Different strategies and outcomes from a variety of settings will be presented and discussed. The goal of the course is to develop the student's understanding of international, national, sectoral, local, and household level issues related to economic development and the language used by economists to discuss these issues. Special attention will be given to the following questions: how do we explain economic growth?; how do we measure and understand poverty and poverty dynamics? what are the environmental implications of economic development?; and how are urban/ industrial needs balanced against rural / agricultural needs in development? The course is aimed at students who have taken a basic economic course, and effort will be made to stress how economic theory relates to development policy.

Materials:

- Economic Development. Michael P. Todaro and Stephen C. Smith. Addison Wesley. Any recent edition (latest edition is 2020's 13th)
- Articles linked to in this syllabus
- Others will be available as pdf files.

Grading and Assignments:

- Two exams, 30 points each, total of 60 points.
- 10 homeworks, 2 points each, total of 20 points
- Presentation (poster or power point), 5 points.
- Term paper, 15 points.

Exams.

There will be two exams, one in class covering the first section of the course, the second during the final exam period covering the second half of the course. They will be closed book exams, and are accorded the same number of points. The final is not comprehensive. A calculator can be used in the class. If you have a multi-function calculator, it is not acceptable to use this for any purpose other than basic calculations during the exam. Non-native English speakers are allowed to bring in a dictionary to aid in translation if they so desire.

Homeworks:

Students will select a country to follow throughout the semester. They will research this country for each of the topical themes in class. A one to two-page brief on the status and major issues facing the country in terms of this topic will be required. Each brief is worth two points.

Presentation:

The last few classes of the semester will be devoted to students presenting the findings of their research. Students will have the choice of presenting a 10 minute power point summary of their findings or preparing a poster. More details will follow as we get further into the semester.

Term paper.

Each student will be responsible for a term paper of 15-20 page length (12 point, double spaced, standard academic references). The paper will be a statement of the status and prospects of the particular issue and at the appropriate level in the country the student selects. The paper should highlight: one, what is the current status and what are the major issues facing the sector on which you are focusing; two, how did the sector come to be in this situation from a historical perspective, and three, what are the priorities in this sector and for the future and how do you suggest decision makers go about addressing these priorities. The student should illustrate that these insights were developed by conducting extensive research on their chosen country and sector – this is a research paper. The paper is due the last day of class.

Office Hours:

Noted above are my office hours. I am open to scheduling times outside of these if you contact me by e-mail to make other arrangements if the scheduled times do not work for you.

Note on academic honesty:

Syracuse University policy requires students to "exhibit honesty in all academic endeavors. Cheating in any form is not tolerated, nor is assisting another person to cheat. The submission of any work by a student is taken as a guarantee that the thoughts and expressions in it are the student's own except when properly credited to another. Violations of this principle include giving or receiving aid in an exam or where otherwise prohibited, fraud, plagiarism, or any other deceptive act in connection with academic work. Plagiarism is the representation of another's words, ideas, programs, formulae, opinions, or other products of work as one's own, either overtly or by failing to attribute them to their true source" (*Syracuse University Bulletin* 2003-2004: p. 2).

Disability Statement:

If you believe that you need accommodations for a disability, please contact the Center for Disability Resources located at 804 University Avenue, or call (315) 443-4498 for an appointment to discuss your needs and the process for requesting accommodations. CDR is responsible for coordinating disability-related accommodations and will issue students with documented disabilities Accommodation Authorization Letters, as appropriate. Since accommodations may require early planning and generally are not provided retroactively, please contact CDR as soon as possible.

Course Outline:

First half of the course (January 16 – February 20): Development, Growth, International Institutions, Trade, and Aid.

January 16, 18

Development Economics – what is it and what do we mean when we say it is a developing country?

- Sen, Amartya. (1983) “Development: which way now?” [The Economic Journal](#) **93** p. 745-762. A statement on the early phases of the field of economic development as a field.
- Chapter 1. “Economics, Institutions, and Development”
- Chapter 2. “Comparative Development”

January 23, 25, 30

Development Theory

- Chapter 3. “Classic Theories of Economic Development”
- Easterly, William (2002). Chapters 2 and 3 of *The Elusive Quest for Growth* I will send as a pdf file.
- Solow. (1957). “Technical Change and the Aggregate Production Function.” [The Review of Economics and Statistics](#). **39(3): 312-320**.
- Easterly, William and Ross Levine. (2001). “It’s Not Factor Accumulation: Stylized Facts and Growth Models.” [The World Bank Economic Review](#). **15(2): 177-219**.
- Barro, Robert. (1991). “Economic Growth in a Cross Section of Countries.” [The Quarterly Journal of Economics](#) **106:2 p. 407-443**.
- Chapter 4. “Contemporary Models of Development and Underdevelopment”
- On the role of theory: Krugman, Paul. (1999). “The Fall and Rise of Development Economics” [mimeo](#)

HW #1 Growth experience in your country due February 1.

February 1, 6

International Issues 1

- Chapter 12. “Trade Theory and Development Experience”
- Chapter 13. “The Trade Policy Debate”

HW #2 Trade and your country due February 15.

February 8, 13, 15, 20, 22

International Issues 2, Development Policy

- Chapter 14. “Balance of Payments, Developing Country Debt, and the Macroeconomic Stabilization Controversy”
- Williamson, John. (2000). “What Should the World Bank Think About the Washington Consensus?” [The World Bank Research Observer. 15\(2\): 251-64.](#)
- Chapter 15. “Foreign Finance, Investment, and Aid”

February 27:

EXAM covering first part of the course

HW #3. Aid / investment / financial restructuring in your country due February 29.

Second Half of the course (February 29- April 25): Topics in Development Economics

February 29, March 5, 7

Poverty and Inequality

- Chapter 5. “Poverty, Inequality, and Development”
- Krishna, Anirudh. (2004). “Escaping Poverty and Becoming Poor: Who Gains, Who Loses, and Why?” [World Development. 32:1, 121-136.](#)
- Sala-i-Martin, Xavier. (2006) The World Distribution of Income: Falling Poverty and ... Convergence, Period. [Quarterly Journal of Economics. Vol. 121, No. 2: 351-397.](#)
- Pinkovskiv, Maxim and Xavier Sala-i-Martin. [Parametric Estimations of the World Distribution of Income](#), NBER Working Paper 15433, October 2009.

HW #4. Poverty / inequality due March 7.

Spring Break March 11-15

March 5, 7, 19

Population issues.

- Chapter 6. “Population Growth and Economic Development”
- Sulayman Al-Qudsi (1998) “The demand for children in Arab countries: Evidence from panel and count data models” [Journal of Population Economics](#) 11:435-452

HW #5. Population issues due March 21

March 21, 26

Urbanization, Migration, Rural sector

- Chapter 7. “Urbanization and Rural-Urban migration”

HW #6. Urbanization / migration / informal sector due April 2

March 28, April 2

Agriculture and Rural Development

- Chapter 9. “Agricultural Transformation and Rural Development”
- Staatz, John and Carl Eicher. (1990) “Agricultural Development Ideas in Historical Perspective.” Chapter 1 in *Agricultural Development in the Third World* 2nd edition. Carl K. Eicher and John Staatz (eds.) The Johns Hopkins University Press: Baltimore. P. 3-38.

HW #7. Agriculture / rural development due April 9

April 4, 9, 11

Human Capital I and II: Education and Health

- Chapter 9. “Human Capital”
- Psacharopoulos. (1994). “Returns to Investment in Education: A Global Update.” [World Development](#). 22(9): 1325-1343.

HW #8 education and HW #9 health due April 18

April 16, 18

Environment and Development

- Chapter 11. “The Environment and Development”
- Lee, David, Paul Ferraro and Christopher Barrett. (2001). “Introduction: Changing Perspectives on Agricultural Intensification, Economic Development and the Environment.” Chapter 1 in *Tradeoffs or Synergies?* David Lee and Christopher Barrett (eds.) CABI Publishing: NY p. 1-11.

HW #10. Environmental issues due April 25

April 23, 25

In class presentations

Final Exam: Friday May 3 , Eggers 111, 12:45 to 3:45