

Economics 682, Line # 19278

Department of Economics

Development Economics

Fall 2009

10:30-11:20 MWF

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Leasure 013

Homepage: <http://www.ksu.edu/economics/nafwayne/>

Office hours: 11:30-12:45 MWF and by appointment. I will notify you in advance about any changes.

Required Text: Nafziger, *Economic Development*. New York: Cambridge University Press, 2006 (in bookstores).

Objectives: The major objectives of the course are to: (1) understand the economic development of the developing countries of Asia, Africa, Latin America, and Eastern and Central Europe; and the past development of North America, Western Europe, and Japan; (2) analyze the economic problems of developing countries, especially problems related to slow growth, stagnation, high poverty rates, high income inequality, and chronic external crises; and (3) discuss strategies for accelerating growth, attaining sustainable development, reducing poverty and income inequality, and decreasing external imbalances.

To attain the background essential to meet these objectives, the student needs to read the textbook, attend lectures and class discussions, and peruse material made available on K-State Online (except no powerpoints will be put on K-State Online for the week of December 8-12, when they will be handed out in class).

Resources on Developing Countries: <http://www.ksu.edu/economics/nafwayne/edc.htm>, my internet resource on economic development and developing countries, lists general resources in economic development, major development journals, sources on news of developing countries, country and map information, online journals and databases, search engines, and general references. KSU library resources are limited, but KSU has many of the journals listed. Some journals can be accessed on-line by KSU eID and password. On campus, by clicking library on KSU's home page, <http://www.ksu.edu>, you have access to Lexis-Nexis (<http://web.lexis-nexis.com/universe>) that would enable you to get information on a third-world economy by topic.

The home pages of international agencies provide information and sometimes free downloads of articles: the World Bank (<http://www.worldbank.org/>), the International Monetary Fund (<http://www.imf.org/>), the United Nations (<http://www.un.org/>), the United Nations Development Program (<http://www.undp.org/indexalt.html>), and others. Other useful resources are at my website.

A number of job vacancies in International Environment and Development field are posted on the website of DevNetJobs.org at <http://www.devnetjobs.org>. For free weekly updates on vacancies, send a blank email to [developmentjobs-subscribe@yahoo.com](mailto:developmentjobs-subscribe@yahoo.com)

Grades: I plan four one-hour examinations, each worth 100 points and a 5 to 30 minute presentation by each student on a topic related to development economics (total 500 points). In addition, I will have occasional quizzes (announced in advance); internet exercises; and in-class team exercises. Sometimes I may ask students to respond in 3-5 minutes to questions such as "What was the most important thing you learned during this class?" and "What important question remains unanswered for you?" Grades will be posted on K-State Online.

5-30 minute presentations: Each student is required to make a 5 to 30 minute presentation on a topic related to development economics, together with a written one-page summary handed in to the instructor and placed on K-State Online in advance. The presentation, with one-page summary, including three major bibliographical sources, whether internet or written (author, title, year, and, where relevant, journal), is worth 100 points. Your presentation should rely on sources beyond the text. The deadline for a *listing* of the topic you are going to present is Friday, September 4. You are allowed to change your topic later in the semester with the approval of the instructor. Here are some of the options for topics (you are free to propose another alternative to the instructor): Information Technology, Software or Hardware in India, China or Other Developing Countries (Ch. 1 or Ch. 11); Africa's development (Ch. 2); HDI rankings (Ch. 2); Jared Diamond's evolutionary biological approach to development (Ch. 3); Why has Japan's economic growth slowed since 1990? (Ch. 3); the Maoist development approach (Ch. 3); Was Stalinism necessary for the Soviet Union's rapid economic growth (Ch. 3); institutions and economic development (Ch. 4); rent seeking and economic development (Ch. 4); Hernando de Soto's (not the explorer) theory of property rights (Ch. 4); Marx's application to developing countries (Ch. 5); coordination failure (Ch. 5); the application of dependency theory to Latin America (Ch. 5); Baran or Frank's application to Latin America or some other country/region; What is the post-Washington consensus (Ch. 5); Economists with Manhattan, Kansas origins: Ian Kremer, Margaret Grosh, and Brad Setser (Ch. 5); more recent data on poverty and inequality in developing countries (Ch. 6); importance of property rights in LDCs (Ch. 7); should LDCs use agricultural

biotechnology? (Ch. 7); focus on the relationship between population and development in one LDC from the *World Population Data Source*. (Ch. 8); examination of the relationship between education and economic development (Ch. 10); the importance of electronic media in education in LDCs (Ch. 10); apply benefit-cost analysis to a proposed project in LDCs (Ch. 11); examine entrepreneurship and its relationship to economic development in an LDC (Ch. 12); use IPCC's (Intergovernmental Panel on Climate Change's) analysis of global climate change to look at South Asia, Africa, South America or developing countries generally (Ch. 13); Freeman Dyson's dissent on global climate change (Ch. 13); look at the effect of natural asset deterioration on national income (Ch. 13); analyze monetary and fiscal policy in an LDC (Ch. 14); analyze the balance of payments position of an LDC and its policy implications (Ch. 15); Dambisa Moyo's critique of aid (Ch. 15); most recent data on aid flows to developing countries by donor and/or donor's percentage of GNI (Ch. 15); should food aid be in the form of commodities or cash assistance? (Ch. 15); why does the US have such a high balance of trade deficit? (Ch. 15); What changes are needed in the International Monetary Fund and the international financial architecture? (Ch. 16); Are sovereign wealth funds in Saudi Arabia (or other emerging nations) a major contributor to foreign aid and the economic development of LDCs (Ch. 16); Is protection ever warranted for LDCs? (Ch. 17); Is centralized development planning ever warranted? (Ch. 18); India's rapid growth since liberalization in 1991 (Ch. 18); the transition to capitalism in Russia (Ch. 19); and the transition to a market economy in China (Ch. 19). (You are free to consider sub-aspects of the topics listed or topics related to those listed.) (You are free to consider sub-aspects of the topics listed or topics related to those listed.)

Exams: I have indicated tentatively the coverage of each one-hour examination (the readings and corresponding lectures just before the listing of the examination). Each one-hour exam is roughly half objective (mostly multiple choice) and half essay/problem, with an occasional short identification or explanation question. Exams and quizzes encompass readings, lecture/discussion, powerpoints, talks, student presentations, videos, and e-mails. To find out the type of exams, peruse previous development exams in MS Word or PDF Format, at <https://www.ksu.edu/economics/nafwayne/exams/cexams.htm> (KSU computing ID and password required). Ramesh Mohan, *Study Guide for Nafziger's Economic Development*, <http://www.ksu.edu/economics/nafwayne/>, is useful in studying for class and exams.

Discussion: Students who make an excellent contribution to class can raise their semester numerical grade.

Graduate students: Graduate students are required to write a paper or present a twenty-minute talk to the class. This paper or talk is worth 100 points for graduate students. The student giving the talk or writing the paper must be able to show his/her ability to undertake economic analysis and use bibliographical sources. In addition, in grading, we consider the following (1) format and mechanics (legibility, orderliness, spelling, punctuation, and sentence structure), (2) clarity, (3) organization (logical development, continuity, originality in organization and presentation), and (4) technical content (quality of material, evidence of understanding, and use of source material or evidence of reading background).

Plagiarism: University policy is: "Plagiarism and cheating are serious offenses and may be punished by failure on the exam, paper, or project; failure in the course; and/or expulsion from the university." For more information refer to "Academic Dishonesty," <http://www.ksu.edu/uau/fhbook/fhxf.html>.

Honor system: The university has an honor system based on personal integrity, which is presumed to be sufficient assurance that in academic matters one's work is performed honestly and without unauthorized assistance. Undergraduate students, by registration, acknowledge the jurisdiction of the Undergraduate Honor System. The policies and procedures of the Undergraduate Honor System apply to all full and part-time students enrolled in undergraduate courses on-campus, off-campus, and via distance learning. A prominent part of the Honor System is the inclusion of the Honor Pledge, which applies to all assignments, examinations, or other course work undertaken by undergraduate students. The Honor Pledge is implied, whether or not it is stated: "On my honor, as a student, I have neither given nor received unauthorized aid on this academic work." This statement means that the student understands and has complied with the requirements of the assignment as set forth by the instructor. A grade of XF can result from a breach of academic honesty. An XF would be failure of the course with the X on the transcript indicating failure as a result of a breach of academic honesty. For more information, refer to <http://www.ksu.edu/honor>.

Academic Accommodations for Students with Disabilities: If you have any condition, such as a physical or learning disability, which will make it difficult for you to carry out the work as I have outlined it or which will require academic accommodations, please notify me in the first two weeks of the course.

Copyright of lectures and handouts: The lectures and handouts for this course are copyrighted by the instructor, E. Wayne Nafziger, who does not approve of the taking of notes for commercial purposes in the course.

## Outline

## PART I BASIC PRINCIPLES AND CONCEPTS

Introduction to the Course (Mon., Aug. 24)

1. Introduction (Read for Wed., Aug. 26)

2. The Meaning and Measurement of Economic Development (Read for Wed., Aug. 26)

3. Economic Development in Historical Perspective

4. Characteristics and Institutions of Developing Countries

Video – Poverty and Illiteracy: Poor Campesinas in Bolivia (Global Change – The Power to Change #3)

5. Theories of Economic Development

Video – Voices of the Poor (World Bank)

100-POINT ONE- HOUR EXAMINATION (MID- TO LATE SEPTEMBER)

## PART II POVERTY ALLEVIATION AND INCOME DISTRIBUTION

6. Poverty, Malnutrition, and Income Inequality

Video – Bangladesh's Grameen Bank's Loans to Poor Women and Microenterprises (Power to Change #1)

7. Rural Poverty and Agricultural Transformation

Video – Extending The Green Revolution in Indonesia (The Power to Change #1)

## PART III FACTORS OF GROWTH

8. Population and Development

100-POINT ONE- HOUR EXAMINATION (MID-OCTOBER)

9. Employment, Migration, and Urbanization

10. Education, Training, and Human Capital

11. Capital Formation, Investment Choice, Information Technology, and Technical Progress

12. Entrepreneurship, Organization, and Innovation

13. Natural Resources and the Environment: Toward Sustainable Development

## PART IV THE MACROECONOMICS AND INTERNATIONAL ECONOMICS OF DEVELOPMENT

15. Monetary, Fiscal, and Incomes Policy, and Inflation

16. Balance of Payments, Aid, and Foreign Investment

17. The External Debt Crisis

100-POINT EXAMINATION

## PART IV THE MACROECONOMICS AND INTERNATIONAL ECONOMICS OF DEVELOPMENT (continued)

18. International Trade

## DEVELOPMENT STRATEGIES

19. Development Planning and Policy Making: The State and the Market (if time permits)

20. Stabilization, Adjustment, Reform, and Privatization

FINAL (100 point) EXAMINATION, MONDAY, DECEMBER 14, 11:50-1:40 in LEASURE 013