
Economics 473G
Economic Development
Spring 2015

Instructor: Dr. Jenny Minier

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Required reading: *The End of Poverty*, Jeffrey Sachs
The White Man's Burden, William Easterly
Additional readings to be assigned in class
Course website: <http://sites.google.com/site/UKeco473/>
Faculty website: <http://gatton.uky.edu/faculty/minier/>
Office Hours: Tuesdays and Thursdays, 2.00–3.00 P.M.

Overview and Motivation: Many countries like Tanzania have income per person of approximately \$500 per year. In the U.S., income per person is over \$40,000. What explains this difference, and what can countries like Tanzania do to increase standards of living for their citizens? These questions underlie the study of economic growth and development. In this course, you'll learn about the tools that economists use to study economic growth and development; the current state of theoretical and empirical economic research; and the policy implications of that research. In addition, you'll follow one country throughout the semester, analyzing how well the economic theories and general economic trends discussed in class apply to that country.

Exams: There will be two exams, each worth 30% of your final grade. They are scheduled for **February 24** and **April 16**. The exams are weighted equally, and the second exam covers material after the first exam (it is not cumulative). Makeup exams will not be given — you must contact me as soon as possible if you must miss an exam for an official university function, religious observance, or if you are physically unable to take an exam.

Country Paper: There will be a short paper (no more than 8 pages) in which you will analyze the economic development of a particular country, relating its experiences to the theories discussed in class. This paper is due on **Monday, May 4** and will constitute 18% of your final grade. It will be discussed in more detail; there will be preliminary deadlines (choosing a topic, turning in an outline) associated with the paper.

Homework and class discussion: Periodic homework assignments will constitute 8% of your final grade.

There will be a class discussion of the two assigned books in class on **Thursday, March 26**. You will have a written assignment (questions to answer), and you must also contribute something to the class discussion on March 26 to receive full credit on the assignment. This will count as two problem sets, and the conversation will be covered on the second exam.

Group Presentation: You will be part of a regional working group of 4–5 students (Latin America, Africa, or Asia). During the last three class meetings, each group will present an overview of a topic particularly important to their region (guidelines will be provided later in the semester), incorporating ideas from the Sachs and Easterly books. Part of this assignment will be a 3–4 page writeup (individually) in which you describe both what you learned about the topic and region, and also how your group worked. The presentation (including the writeup) will be 8% of your final grade; my grade for the presentation overall will be half of that (4% of your final grade), and the other half will be based on your writeup. If the consensus of the group is that you did not contribute fully to the group presentation, your grade will be reduced accordingly.

Geography Quizzes: There will be 3 geography quizzes, on the broad regions of Africa, Asia, and Latin America. Each quiz contributes 2% of your final course grade, for a total of 6%. These quizzes will be on January 27 (Africa), February 3 (Asia), and February 10 (Latin America), and will take place during the last 15 minutes of class. I'll go over them in more detail in class, and information will be on the website.

Summary of Grading:

2 Exams	30% each
Paper	18%
Group Presentation	8%
Problem Sets	8%
Geography Quizzes	6%

Grading Scale:

90-100:	A
80-89.9:	B
70-79.9:	C
60-69.9:	D
Below 60:	E

These cutoffs may be adjusted downward (i.e., it is possible that a grade of 88 would be an A), but will not be adjusted upward. (If everyone has over 92% at the end of the semester, everyone will receive As. This is highly unlikely.)

Course Schedule

January 15	Introduction and Motivation: why study development?
January 20	Current State of the World: Stylized Facts
January 22	Basic Math and Econometrics
January 27	Classical Growth Models, Africa geography quiz
January 29	Classical Growth Models
February 3	Empirical Evaluation of Growth Models, Asia geography quiz
February 5	Endogenous Growth Models
February 10	Models of Structural Change, Latin America geography quiz
February 12	Inequality and Poverty: Does development benefit the poor?
February 17	Some History: The Industrial Revolution
February 19	Sustainable Development and Environmental Issues

Exam #1: Tuesday, February 24

February 26	Labor and Immigration
March 3	The East Asian Miracle?
March 5	Development in Africa
March 10	Development in Latin America
March 12	The Millennium Villages
March 17, 19	Spring break — have a good one!
March 24	Human Capital/Education
March 26	Class Discussion: Sachs vs. Easterly
March 31	Health and Nutrition
April 2	Investment and Financial Policy
April 7	Political Structure and Development
April 9	International Issues in Development
April 14	Multinational Corporations and Outsourcing

Exam #2: Thursday, April 16

April 21	Current Issues
April 23	Current Issues, Catch-Up, Group presentations
April 28	Group presentations
April 30	Group presentations

Papers due: Monday, May 4, by 5.00 p.m.

Addendum to Syllabus: Graduate or Honors Credit

University policy on 400G-level courses is that the course must differentiate in expectations between graduate and undergraduate students by (i) additional or distinct assignments by the graduate students that are consistent with graduate-level scholarship; and/or (ii) different grading criteria for graduate versus undergraduate students, reflecting a higher standard for graduate students. To ensure that the needs of both undergraduate and graduate students are met in ECO 473G, there are both additional assignments for graduate students and a distinct grading scale.

Additional Graduate Student Assignments:

If you are taking this course for graduate or honors credit, you must (1) talk to me within the first two weeks of class; (2) answer additional questions required only of graduate students on the two exams (the time limit on the exam is the same as for the undergraduates); (3) occasionally answer additional questions on homework assignments, and your homework assignments will be graded on a more rigorous standard than will the undergraduates'; (4) in addition to participating in the standard group presentation outlined on the regular syllabus, give an additional, more detailed group presentation (with the other graduate students) to the class about a particular development issue, to be decided in consultation with me (in March; we'll determine the exact date); and (5) in addition to the country paper, write a survey of the economic literature (approximately 10 pages) on a specific topic related to economic development. Possibilities include topics such as: the relationship between trade openness and development; import substitution versus export promotion as a development strategy; the relationship between political factors and development; etc. I strongly encourage you to choose a topic complementary to your country paper, and combine them into one 15-18 page paper ("Corruption and Development in Nigeria," for example). You must discuss the topic with me before March 31 (I'll be glad to help you figure out a topic if necessary), and the paper will be due by May 4.

Your grade on this combined paper will count for 22% of your grade in the class; the homework assignments will be reduced to 4% of your final grade, and your presentation grade will be 8% (split evenly between the regional group presentation and the additional graduate student presentation). If you write two separate papers, the country paper will be 10% and the literature survey 12%.

Summary of Grading for Graduate Students:

2 Exams	30% each
Paper/s	22%, or 10%+12%
Group Presentations	8%
Problem Sets	4%
Geography Quizzes	6%