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| <p style="text-align: center;"><b>Carleton University</b><br/><b>Department of Economics</b><br/><b>ECON 4507 – The Economics of Development</b><br/><b>2019 Late Summer</b></p> |
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**Instructor:** Professor Javier Torres Gomez

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**Office Hours:** Tuesdays, 4:30 – 5:30 pm

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**Course Web Site:** [culearn.carleton.ca](http://culearn.carleton.ca)

**Lectures:** Tuesday and Thursdays, 6:05 – 8:55 pm in Canal Building 2202 (found in [Carleton central](#) )

### **PREREQUISITES and PRECLUSIONS**

Precludes additional credit for ECON 3508 if taken concurrently with or prior to ECON 3508. Prerequisites: ECON 2030 with a grade of C- or higher or ECON 2003 (no longer offered) with a grade of C- or higher, and ECON 2103 with a grade of C- or higher. Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Administrator, Amanda Wright.

### **COURSE DESCRIPTION**

The purpose of this course is to study selected issues in economic development in terms of theory, evidence, and policy. The course will cover material describing the pattern of economic development and evaluating the impacts of global integration on inequality and poverty. The course will i) apply economic theory and statistical analysis to questions pertinent to economic policy in developing countries, and ii) discuss the major debates in the problems of underdevelopment.

### **TEXTS**

The textbook is Debraj Ray's Development Economics (Princeton UP, 1998), which is available on reserve at the library. All other required readings will be available on CuLearn or on reserve at the library.

## **TOPICS**

### **What is Development?**

- Sen, Amartya (1983) “Development: which way now?”, *The Economic Journal*, 93, pp 745- 762
- Ray, *Development Economics*, Princeton University Press, 1998, Chapters 1, 2
- Ravallion, M (2012) “Troubling Tradeoffs in the Human Development Index” *Journal of Development Economics*, 99(2):201-209

### **Poverty, Inequality, and Development**

- Banerjee, A. and E. Duflo (2007), “The Economic Lives of the Poor,” *Journal of Economic Perspectives*, 21(1): 141-167.
- Ray, *Development Economics*, Princeton University Press, 1998, Chapters 6, 7
- Deaton, A. (2005), “Measuring Poverty in a Growing World (or Measuring Growth in a Poor World)”, *Review of Economics and Statistics*, Vol. 87, No. 1, 1-19.
- Ravallion, M. and S. Chen (2004), “How Have the World’s Poorest Fared Since the Early 1980s?” *World Bank Research Observer*, 19(2): 141-169.

### **Globalization and Development**

- Ray, D. (1998). *Development Economics*. Chapters 16, 17.
- Goldberg, P and N. Pavcnik. “Distributional Effects of Globalization in Developing Countries,” *Journal of Economic Literature*, 45(1): 39-82, March 2007
- Winters, A., N. McCulloch and A. McKay. “Trade Liberalization and Poverty: The Evidence So Far”. *Journal of Economic Literature*. XLII: 72–115, March 2004

### **Migration:**

- Chiquiar, D., & Hanson, G. (2005). International Migration, Self-Selection, and the Distribution of Wages: Evidence from Mexico and the United States. *Journal of Political Economy*, 113(2), 239-281.
- Card, David, (1990), The Impact of the Mariel Boatlift on the Miami Labor Market, *ILR Review*, 43, issue 2, p. 245-257.
- Card, David, Is the New Immigration Really so Bad?. *Economic Journal*, Vol. 115, No. 507, pp. F300-F323, November 2005.

### **Credit and Microfinance**

- Ray, Development Economics, Chapter 14 pp 529-543, 561-586
- Armendariz and Morduch (2010), The Economics of Microfinance, Chapters 2, 4 and 5
- Banerjee, Abhijit, V., and Esther Duflo. 2010. "Giving Credit Where It Is Due." Journal of Economic Perspectives, 24(3): 61-80.
- Ghatak, Maitreesh and Guinnane, Timothy, (1999), The economics of lending with joint liability: theory and practice, Journal of Development Economics, 60, issue 1, p. 195-228

### **Health and Human Capital**

- Ray, Development Economics, Chapter 8
- Basu, K. (1999) "Child Labor : Cause, Consequence, and Cure with Remarks on International Labor Standards", Journal of Economic Literature, vol 37 .
- Dupas, P (2009) "Health Behavior in Developing Countries" Annual Review of Economics 3(1):425-449
- Cohen, Jessica and Dupas, Pascaline, (2010), "Free Distribution or Cost-Sharing? Evidence from a Randomized Malaria Prevention Experiment", The Quarterly Journal of Economics, 125, issue 1, p. 1-45.

### **Institutions and economic development**

- Acemoglu, D., and J.A. Robinson, (2012), "Why Nations Fail: The Origins of Power, Prosperity, and Poverty", New York: Crown Business, Chapter 3.
- Acemoglu, D, S. Johnson and J.A. Robinson 'The colonial origins of comparative development: an empirical investigation', American Economic Review 91(5) 2001, pp.1369–401.
- Acemoglu, Daron and Johnson, Simon, (2005), Unbundling Institutions, Journal of Political Economy, 113, issue 5, p. 949-995
- Field, E. 'Entitled to work: urban property rights and labor supply in Peru', Quarterly Journal of Economics 122(4) 2007, pp.1561–602.

Disclaimer: I may make modifications/additions to the list of readings. Any such modifications will be announced in a timely fashion in class and CuLearn.

## **EVALUATION**

Each student's grade will be calculated using the following instruments and weights:

| Instrument      | Weight |
|-----------------|--------|
| Two assignments | 20%    |
| Midterm Exam    | 40%    |
| 4 Paper Reviews | 40%    |
| Total           | 100%   |

The assignment will consist of several questions and problems. They must be submitted in person at the beginning of the lecture on the due date. Late assignments will not be accepted and will receive a grade of zero. Students will receive a grade of zero if they miss the exam unless they provide a compelling reason (doctor note, etc.). In this case, a deferred exam will be scheduled. For the "Paper Reviews", each student will be assigned a published paper to analyze and critique. The paper review should be no longer than 5 pages, should have a brief summary of the main findings and an intelligent critique of possible flaws of the research conducted. Paper reviews must be submitted in the class on the given due date prior to the beginning of the lecture. Late submissions will not be accepted.

**Satisfactory Performance Criteria:** Students must fulfil all of the preceding course requirements in order to achieve a passing grade (D- or higher). See Academic Regulation 2.3 for the official meanings of the grades, and note that it stipulates that no course grades are final until approved by the Faculty Dean.

Any request for the remarking of exams must be submitted in writing within one week of that exam first being returned to the class. The request should contain a detailed explanation of why you feel you should receive a higher mark. Please note that remarking will apply to the entire exam not just the contentious question. As a result, the revised mark may be higher than, lower than or the same as the original mark. Exams or problem sets completed in pencil or erasable ink will not be regraded.

## **PLAGIARISM**

Please be aware that plagiarism is serious offense at Carleton and should be recognized and avoided. For further information on how to do so, please see "Pammett on Plagiarism and Paraphrasing" at [www.carleton.ca/economics/courses/writing-preliminaries](http://www.carleton.ca/economics/courses/writing-preliminaries).

## **REQUESTS FOR ACADEMIC ACCOMMODATIONS**

You may need special arrangements to meet your academic obligations during the term. For an accommodation request the processes are as follows:

**Pregnancy obligation:** Write to me with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details see the Student Guide.

**Religious obligation:** Write to me with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details see the Student Guide.

**Academic Accommodations for Students with Disabilities:** The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or [pmc@carleton.ca](mailto:pmc@carleton.ca) for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your Letter of Accommodation at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (if applicable).