

Economic Development and policy
ECON 3784-001
Fall 2010
Professor Akacem
Monday 5:00:7:30 p.m.
HUMN 135
Office: Econ 216
Office hours: Monday 3:00 to 4:50 p.m. or by appointment

The course will have a home in [CuLearn](#) and can be accessed at:
<http://Culearn.colorado.edu>

Please Note: Leave your laptops at home. I generally do not encourage their use in class. If you have a documented need for them, please do see me. Otherwise, the evidence shows that these are used for things that have nothing to do with class and they distract others. The same goes for **cell phones and texting. There will be zero tolerance for their use.**

Email: Please email me at: akacem@colorado.edu if you need to reach me. Generally speaking, it is much easier to come to my office and or right after or before class if times allows. Avoid messages such as “I missed class, what did I miss”. If you do miss, make sure and get the notes from another student. When sending an email message, please do include a subject such as our class, question etc... Messages without anything on the subject line will not be answered. We get to much spam so please help by simply adding something on the subject line.

Required Books:

Michael P. Todaro and Stephen C. Smith Economic Development, Ninth Edition, 2005, Addison Wesley

You are welcome to buy the latest edition if you wish. The booksto

The Wall Street Journal

<http://www.wsj.com>

The Financial Times

<http://www.ft.com>

Purpose of the Course:

The purpose of the course is to acquaint the student with the major issues in development economics and policies. By the end of the course the student should be acquainted with most of the major issues in economic development policy and what both developing countries and international institutions are doing to confront the major constraints facing poor countries.

Schedule of Readings and Topics:

Tentative Schedule. The class meets once a week for two and half hours. The outline below is tentative and may change somewhat depending on the pace of the class and case studies shown. Please consult the calendar within CuLearn for updates and stay informed through the class home page. The material covered in class may be more than what your outline shows.

A great number of the readings listed below are short pieces from Finance and Development (<http://www.imf.org/external/pubs/ft/fandd/fda.htm>). I highly recommend this publication which stresses policy aspects of economic development and may be relevant to other courses that you are taking.

http://www.cu.edu/development/Prologue, "Why Growth Matters," "The World's Economic Crisis" (WE = Easterly) Tj y r5(y
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WE = Easterly

FD=Finance and Development

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Optional reading:

From Back to Basics "Demographic Dividends", found in Blackboard under the Back to Basics folder

Monday September 27th: Week Six: We may finish the material from week Five this week since part of the time was taken by exam 1.

Todaro: Chapter 8: Human Capital and Education

WE, "Creative Destruction: The Power of Technology," pp. 171- 193

WE, "Education for What," pp. 71-85.

Why Quality Matters in Education by Eric A. Hanushek in Finance and Development, June 2005

<http://www.imf.org/external/pubs/ft/fandd/2005/06/hanushek.htm>

October 4th: Week Seven:**Todaro: Chapter 9: Agriculture**

WE, "Under and Evil Star," pp. 195-215 and "Governments Can Kill Growth," pp. 217-240

Global Warming and agriculture, Finance and development March 2008

<http://www.imf.org/external/pubs/ft/fandd/2008/03/cline.htm>

October 11th: Week Eight:**Todaro: Chapter 11: Development Policy and Role of Markets****Recipe for success**

<http://www.imf.org/external/np/exr/BForums/2007/summary/112907.htm>

One economics many recipes

<http://www.imf.org/external/np/tr/2007/tr071129a.htm>

Trade policy by Anne Krueger

<http://www.imf.org/external/np/speeches/2005/041905.htm>

Trade: An engine of growth for Africa

<http://www.imf.org/external/pubs/ft/fandd/1999/12/sharer.htm>

October 25th: Week Ten:

Todaro: Chapter 13: International Debt, capital flows, International Currency crises

WE, “The Loans That Were, the Growth that Wasn’t,” pp. 101- 122; “Forgive Us Our Debts,” pp. 123-139.

The challenge of predicting economic crises

<http://www.imf.org/external/pubs/ft/fandd/1999/06/sharma.htm>

Case study: The Asian crisis and implications to development.

November 1st: Week 11:

Exam 2: On Monday November 1st covers week 5 to week 10. As with Exam 1, we will start on the new material for this week and then take the exam.

Todaro: Chapter 14, Foreign Finance and Aid

WE, Chapter 2, Aid for Investment (repeat), pp: 25-45

On Reserve:

Chapter 2, “The legend of the big Push”, from

Todora: Chapter 15: Financial Markets and Development

Financial Markets and Economic Development in Africa
http://info.worldbank.org/etools/docs/library/83611/Africa_PERI.pdf

November 15th: Week 13

Todaro: Chapter 15: Currency markets, exchange rates

Exchange rate regimes: Is the bipolar view correct.
<http://www.imf.org/external/pubs/ft/fandd/2001/06/fischer.htm>

Exchange rate regimes: Fix or Float?
<http://www.imf.org/external/pubs/ft/fandd/2008/03/basics.htm>

A new Bretton Woods
<http://www.imf.org/external/pubs/ft/fandd/2009/03/boughton.htm>

Week 14th: November 22-26: No Class: Fall Break

November 29th Week 15: Globalization, Institutions and Development

The IMF on Globalization found at:
<http://www.imf.org/external/np/tr/2004/tr040922a.htm>

The World Bank on Globalization:
<http://www1.worldbank.org/economicpolicy/globalization/>

Optional:
The Globalization website:
<http://www.sociology.emory.edu/globalization/>

December 6th: Week 16th: Institutions and Economic Development, governance and its role

**Hernando De Soto Chapter 1 from “The Mystery of Capital
 Why Capitalism Triumphs in the West and Fails Everywhere Else”**
<http://www.nytimes.com/books/first/d/desoto-capital.html>

Root Causes, in Finance and Development, found at:
<http://www.imf.org/external/pubs/ft/fandd/2003/06/pdf/acemoglu.pdf>

The primacy of institutions by Dani Rodrik and Arvin Subramanian
<http://www.imf.org/external/pubs/ft/fandd/2003/06/pdf/rodrik.pdf>

The World Bank: Governance matters 2008