University of Waterloo
Department of Economics

Econ 383: Economic Development for Fragile Countries

Fall 2011

Instructor: Nafeez Fatima
Office: Hagey Hall 221
Phone: 519-888-4567, ext. 36559
E-mail Address: n2fatima@uwaterloo.ca
Office Hours: Mondays from 2.30 pm to 4.00 pm
(Other times by appointment only)
Lecture Hours and Location: Mondays & Wednesdays from 1.00 pm to 2.20 pm in AL 211

Course Objectives:
Economic development is a gradual process by which the per capita income of a country increases over time given that the number of people below the poverty line does not increase and that the distribution of income does not become more unequal. Econ 383 is an introductory course in economic development. In this course, we will focus on several topics that are central and unique to the low income countries of Asia, Africa and Latin America. In the first part of the course, we will look into the internal dimensions of development; the economic structure of developing countries. Topics will include the definitions of development and underdevelopment, the issue of poverty and inequality, population growth, the role of agriculture in development, land institutions and land markets, rural-urban migration and urban unemployment. The second part of the course will highlight the external dimensions of development including the topics of international trade.
strategies and the effectiveness of foreign aid. Some questions of concern will include: What is the definition of development? How do we measure development? What are the underlying assumptions used by the development models and are they realistic? What are the similarities and differences among the developing nations? Do they have some common characteristics? Who are poor and what are their economic characteristics? What is so bad about high levels of inequality? What are the linkages between population growth and economic development? What is the economic rationale for migrating to cities? Is environmentally friendly development economically viable? After completion of this course, the students will be able to apply the tools of economic analysis to the problems and challenges facing the low income countries.

**Prerequisites:** Econ 201 & Econ 202.

**Required Textbook:**

**Recommended Textbook (purchase not required):**

**Other useful Textbook:**
Resources:
Course related materials including lecture notes will be posted on UW-ACE at:

1119 ECON 383: Special Topics
It is highly recommended that students attend the lectures and read the textbook. Lecture notes are provided as a supplement to the textbook. The content of the exams will be announced in class and on UW-ACE. Students are responsible for visiting this site frequently.

Important websites:
Countries and Regions (www.worldbank.org/html/extdr/regions.htm)
World Bank Development Data and Statistics (www.worldbank.org/data/)
International Monetary Fund (www.imf.org)
United Nations Economic and Social Development (www.un.org/ecosocdev/)
United Nations Statistics Division (unstats.un.org/unsd/)
United Nations Development Program (www.undp.org)
Human Development Report (hdr.undp.org)

Companion Website:
www.aw-bc.com/todaro_smith

Course Evaluation:
Student evaluation for this course will consist of two in-class midterm exams and a final exam. Alternatively, students can choose to write a research paper on a particular topic in economic development and can substitute for one of the midterm exams. The due date for paper submission is November 30, 2011. No late
submission will be accepted. The guideline for the paper will be distributed in class. Final exam will be comprehensive; it will cover all materials covered in this course. The final exam date will be announced by the Registrar’s Office. The final exam period for Fall 2011 term is from December 8 to December 22. Students are expected to be available during this time. An alternative final exam time is not allowed on the ground of travel plans.

**The Exam Schedule:**

<table>
<thead>
<tr>
<th>Exams</th>
<th>Date</th>
<th>Time</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midterm 1</td>
<td>Wednesday, October 12, 2011</td>
<td>In class exam</td>
<td>25%</td>
</tr>
<tr>
<td>Midterm 2</td>
<td>Monday, November 14, 2011</td>
<td>In class exam</td>
<td>25%</td>
</tr>
<tr>
<td>Final</td>
<td>TBA</td>
<td>TBA</td>
<td>50%</td>
</tr>
</tbody>
</table>

**Alternative Grading Scale:**  
25% paper, 25% midterm exam (1 or 2) and 50% final.

**Policy for Missed Exams:**  
No make-up midterm exam will be provided for this course. Students who do not have a relevant medical certificate will receive a mark of zero on any missed exam and their final grade will be assigned in accordance with the formula specified above. For students who have valid medical certificate (approved by the instructor), the weight of the missed exam will be transferred to the final exam. Students are advised to notify the instructor in person about the missed exam as soon as they are better. E-mail notification about the missed exam is not accepted.
**Policy for Missed Final Exam:**

Normally, a student who has been ill (Verification of Illness Form required) and missed the scheduled final exam MUST petition the Department of Economics Undergraduate Office. **Within 48 hours a confirmation of the illness must be received by the instructor(s) to write the Departmental Deferred Examination.** If the student has failed to write the Departmental Deferred Examination, the student will automatically receive a grade of 0% for the missed deferred final examination. Students are normally assessed regularly throughout the term by their course professor. Students are also being assessed relative to the performance of their peers in the same class. If you have missed (deferred) at least one term test during the term, your course instructor may not grant you yet another deferred examination. For detailed instruction, visit the following webpage:


**Grades:**

Exam marks will be posted on UW-ACE. Posting grades in public places or sending grades by e-mail are prohibited by university regulations.

**Remarking Policy:**

If any student feels that the exam is not marked properly, he/she must inform the instructor within 6 days of the date on which the grades are posted on UW-ACE. Please be advised that the entire test will be remarked and the grade may improve, remain unchanged or perhaps even decrease as a result of the remarking process.
Topics covered:

*****This course schedule is tentative. There may be addition or slight modification in this schedule given the pace of the class. *****

1. Development and Underdevelopment
1.1. Todaro - Chapters 1 & 2
1.2. Meier - Chapter I
1.3. Ray - Chapter 2

*1.4. Amartya Sen (December 1983), "Development: Which way now?"
The Economic Journal, 93(372), pg. 745-62.


2. Alternative Theories of Development
2.1. Todaro - Chapters 3 & 4


Midterm 1: Wednesday, October 12, 2011 from 1.00 pm to 2.20 pm
3. Inequality, Poverty and Underdevelopment

3.1. Ray - Chapters 7 & 8
3.2. Todaro - Chapter 5
3.3. Meier - Chapter VIII


4. Internal Dimensions of Development

4.1: Population

4.1.1. Todaro - Chapter 6
4.1.2. Ray - Chapter 9


**Midterm 2: Monday, November 14, 2011 from 1.00 pm to 2.20 pm**

4.2: Agriculture

4.2.1. Todaro - Chapter 9
4.2.2. Ray - Chapter 11


### 4.3: Urbanization and Rural Urban Migration

4.3.1. Todaro - Chapter 7

4.3.2. Ray - Chapter 10

### 4.4: The Environment and Development

4.4.1. Todaro - Chapter 10

4.4.2. Meier - Chapter X


### 5. External Dimensions of Development

#### 5.1: Foreign Finance, Investment and Aid

5.1.1. Todaro- Chapter 14

The journal articles with an * sign in front of them are required reading for this course. These articles will be discussed at the end of each topic in class and will be posted periodically on UW-ACE.

Notes:
Although it is not mandatory, attendance is highly recommended. Some of the materials covered in the class will not be included in the lecture notes so it is strongly advised that students attend classes regularly. Student participation in class is also highly encouraged. Since, the course contents are technical in nature; a person to person communication is preferred to answer questions. Students are welcome to ask any questions during the regular office hours. Regarding e-mail communication, students should use the university e-mail address. When sending an e-mail, write Econ 383 on the subject line and include your name and student ID number.

Notes on Avoidance of Academic Offences:

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility. [Check www.uwaterloo.ca/academicintegrity/ for more information.]

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70, Student Petitions and Grievances, Section 4, www.adm.uwaterloo.ca/infosec/Policies/policy70.htm. When in doubt please be certain to contact the department’s administrative assistant who will provide further assistance.
**Discipline:** A student is expected to know what constitutes academic integrity [check www.uwaterloo.ca/academicintegrity/] to avoid committing an academic offence and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course instructor, academic advisor, or the undergraduate Associate Dean. For information on categories of offences and types of penalties, students should refer to Policy 71, Student Discipline, www.adm.uwaterloo.ca/infosec/Policies/policy71.htm. For typical penalties check Guidelines for the Assessment of Penalties, www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm.

**Appeals:** A decision made or penalty imposed under Policy 70 (Student Petitions and Grievances) (other than a petition) or Policy 71 (Student Discipline) may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to Policy 72 (Student Appeals) www.adm.uwaterloo.ca/infosec/Policies/policy72.htm.