

**University of Waterloo**  
**Department of Economics**  
**Econ 207: Economic Growth and Development 1**  
**Spring 2017**

**Instructor:** Nafeez Fatima

**Office:** Hagey Hall 162

**Phone:** 519-888-4567, ext. 30174

**E-mail Address:** [n2fatima@uwaterloo.ca](mailto:n2fatima@uwaterloo.ca)

**Office Hours:** Tuesdays and Thursdays from 2.30 pm to 4.00 pm  
(other times by appointment only)

**Lecture Hours and Location:** Tuesdays and Thursdays from 1.00 pm to 2.20 pm in MC 4020

**Where to find this course outline:** This course outline is available at LEARN web site <http://learn.uwaterloo.ca/>

**Note**

Regarding e-mail communication, students should use the university e-mail address. When sending email, "ECON 207" must appear in the subject line and the message must include your full name and ID number.

**Calendar Description**

This course offers an overview of the enormous differences in living standards across countries and over time, and it considers how these can be traced to differences in economic productivity, investment, population, natural resources, government, inequality, and culture.

## 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. Economic growth can positively contribute to the overall development of a country if majority of the population participate in the process and benefits of growth are widely shared. Econ 207 is an introductory course in economic growth and development. The focus of this course is to understand why there are substantial differences in income, and standard of living across countries, and what are the main driving factors that contribute to this problem.

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, productivity differences and different growth models, the issue of poverty and inequality, population growth, the role of agriculture in development, land institutions and land markets, environment and climate change, rural-urban migration and urban unemployment. The second part of the course will highlight the external dimensions of economic growth and development including the topics of international trade strategies and the effectiveness of foreign aid.

Some questions of concern will include: Why are so many countries poor? Are there strategies to reduce income gap among different countries? 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 faced by the low income countries.

### **Required Textbook**

The required textbook for this course is:

Todaro, P. Micheal and Stephen C. Smith, *Economic Development*, 12<sup>th</sup> Edition, Pearson Wesley Publishers Limited, 2013.

Note: earlier editions of the textbook can also be used for this course. However, students are responsible for all materials covered from the new edition of the textbook.

### **Companion Website**

[www.aw-bc.com/todaro\\_smith](http://www.aw-bc.com/todaro_smith)

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

Ray Debraj, *Development Economics*, Princeton University Press, 1998.

### **Other Useful Textbooks:**

Meier, M. Gerald, *Leading Issues in Development Economics*, 8<sup>th</sup> edition, 2005.

Perkins, H. Dwight, Steven Radelet, David, L. Lindauer & Steven, A. Block, *Economics of Development*, W.W. Norton & Company, 2013.

## **Resources**

Course related materials including lecture notes will be posted on Learn at:  
**1175 ECON 207 Spring 2017**

It is highly recommended that students attend the lectures and read the textbook. Lecture notes are provided as a supplement to the text book.

The content of the exams will be announced in class and on Learn. Students are responsible for visiting this site frequently.

## **Important Websites**

Countries and Regions ([www.worldbank.org/html/extdr/regions.htm](http://www.worldbank.org/html/extdr/regions.htm))

World Bank Development Data and Statistics ([www.worldbank.org/data/](http://www.worldbank.org/data/))

International Monetary Fund ([www.imf.org](http://www.imf.org))

IMF World Economic Outlook

([www.imf.org/external/pubs/ft/weo/2012/01/index.htm](http://www.imf.org/external/pubs/ft/weo/2012/01/index.htm))

United Nations Economic and Social Development ([www.un.org/ecosocdev/](http://www.un.org/ecosocdev/))

United Nations Statistics Division ([unstats.un.org/unsd/](http://unstats.un.org/unsd/))

United Nations Development Program ([www.undp.org](http://www.undp.org))

Human Development Report ([hdr.undp.org](http://hdr.undp.org))

## **Course Evaluation**

Student evaluation for this course will consist of two in-class midterm exams and a final exam. Midterms and final will consist of both multiple choice questions and short essay questions. Final exam will be comprehensive; it will include all materials covered in this course. The final exam date will be announced by the Registrar's office. The final exam period for Spring 2017 term is from July 28 to August 11. 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

<b>Exams</b>	<b>Date</b>	<b>Time</b>	<b>Weight</b>
<b>Midterm 1</b>	<b>Thursday, June 8, 2017</b>	<b>In-class exam</b>	<b>25%</b>
<b>Midterm 2</b>	<b>Tuesday, July 11, 2017</b>	<b>In-class exam</b>	<b>25%</b>
<b>Final</b>	<b>TBA</b>	<b>TBA</b>	<b>50%</b>

### 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

For detailed instruction regarding missed final exam, visit the following webpage: <https://uwaterloo.ca/economics/current-undergraduates/policies-and-resources/deferred-final-exam-policy>

### Grades

Exam marks will be posted on Learn. 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 Learn. 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**

Todaro - Chapters 1 & 2

Ray - Chapter 2

### **2. Theories of Growth and Development**

Todaro - Chapters 3 & 4

<p><b>Midterm 1: Thursday, June 8, 2017. In-class exam.</b></p>
---

### **3. Inequality, Poverty and Underdevelopment**

Ray - Chapters 7 & 8

Todaro - Chapter 5

Meier - Chapter VIII

### **4. Internal Dimensions of Development**

#### **4.1: Population**

Todaro - Chapter 6

Ray - Chapter 9

## **4.2: Agriculture**

Todaro - Chapter 9

Ray - Chapter 11

<b>Midterm 2: Tuesday, July 11, 2017. In-class Exam.</b>
--

## **4.3: Urbanization and Rural Urban Migration**

Todaro - Chapter 7

Ray - Chapter 10

## **4.4: The Environment and Development**

Todaro - Chapter 10

## **5. External Dimensions of Development**

Todaro - Chapter 14

### **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 207 on the subject line and include your name and student ID number.**

### **Cross-listed course**

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

### **Institutional-required statements for undergraduate course outlines approved by Senate Undergraduate Council, April 14, 2009**

***Academic Integrity:*** In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility.

***Discipline:*** A student is expected to know what constitutes academic integrity, to avoid committing academic offences, 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 professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-71) (https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-71)

***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](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-70) (https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-70), Section 4.

***Appeals:*** A student may appeal the finding and/or penalty in a decision made under Policy 70 - Student Petitions and Grievances (other than regarding a petition) or Policy 71 - Student Discipline if a ground for an

appeal can be established. Read [Policy 72 - Student Appeals](https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72) (<https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72>).

*Other sources of information for students:*

[Academic Integrity website \(Arts\)](https://uwaterloo.ca/arts/current-undergraduates/student-support/ethical-behaviour)

<https://uwaterloo.ca/arts/current-undergraduates/student-support/ethical-behaviour>

[Academic Integrity Office \(UWaterloo\)](https://uwaterloo.ca/academic-integrity/)

<https://uwaterloo.ca/academic-integrity/>

**Note for students with disabilities:** The [AccessAbility Services](https://uwaterloo.ca/disability-services) office (<https://uwaterloo.ca/disability-services>), located on the first floor of the Needles Hall extension, collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AS office at the beginning of each academic term.