

## Econ 207: Economics Growth and Development I

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### Winter 2024 Syllabus

The course explores the defining challenges of economic development in the developing world. They include poverty and inequality, rapid population growth and emigration, poor health and education, and the political economy of underdevelopment, chiefly: inferior institutions, social fractionalization, civil conflict, and corruption. The canonical economic models of growth and development will be covered to provide broader guiding frameworks for the class. The course gets underway with discussions of important concepts, measures, and indicators of economic development; it concludes with some hopeful notes that are based on the recent experiences of the developing world.

### Required Readings:

1. Todaro, Michael and Stephen C. Smith. (2013). Economic Development. Pearson.
2. Assigned journal articles and book chapters which are indicated below. They must be read carefully enough to understand their key points.

### Grading:

The course grade will be assigned as follows:

- 1) A class presentation on one of the defining challenges faced by developing nations. Students will have 15 minutes to present their findings in class. The presentations deal with topics covered beginning with **Module #4** of the course contents. Specific instructions will be provided for each assignment by email (**30%**).
- 2) A mid-term covering the first three items of the syllabus (Measures and Indicators of Development; Theories of Economic Growth; Poverty and Inequality) (**30%; Wednesday, January 31**).
- 3) A Final exam on the rest of the course material (**30%; Date: TBA**).
- 4) Class Participation (**10%**).

## **Course Schedule**

Class: Monday and Wednesday, 2:30 – 3:50 pm, UTD Alumni Hall A, UTD-201

Office Hours: Monday and Wednesday, 4:00 – 4:30 pm, UTD 210

## **Contents:**

### **Module 1: Economic Development: An Overview; Measures and Indicators of Development (Jan. 8 and Jan. 10).**

1. Todaro, Michael and Stephen C. Smith. (2013). *Economic Development*. Pearson. Chapters 1 & 2
2. <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>
3. [http://www.scielo.br/scielo.php?script=sci\\_arttext&pid=S1807-76922008000200003](http://www.scielo.br/scielo.php?script=sci_arttext&pid=S1807-76922008000200003)
4. <https://ourworldindata.org/human-development-index>

### **Module 2: Conventional Theories of Economic Growth and Development (Jan. 15 and Jan. 17).**

1. Todaro, Michael and Stephen C. Smith. (2013). *Economic Development*. Pearson. Chapters 3 & 4
2. Roland, Gerard. (2014). *Development Economics*. Routledge. Chapter 4, Economic Growth

### **Module 3: Poverty and Inequality (Jan. 22 and Jan. 24).**

1. Todaro, Michael and Stephen C. Smith. (2013). *Economic Development*. Pearson. Chapter 5
2. Blackwood, D.L. and Lynch R.G. (1994). "The measurement of inequality and poverty: A policy maker's guide to the literature." *World Development*, Vol. 22(4), 567-578.
3. <https://blogs.worldbank.org/developmenttalk/defense-gini-coefficient>

### **Module 4: Population Growth and Development (Feb. 5 and Feb. 7).**

Lee, Ronald. (2003). "The demographic transition: Three centuries of fundamental change," *Journal of Economic Perspectives*, Vol. 17(4), 167 – 190.

In Nancy Birdsall, Allen Kelley, and Steven Sinding (2001). *Demographic Change, Economic Growth, and Poverty in the Developing World* (Oxford University Press). (Read the article by Allen Kelley)

### **Module 5: Migration and Development (Feb. 12 and Feb. 14).**

Clemens, M., (2011). "Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?" *Journal of Economic Perspectives*, 25(3), 83 – 106

Antman, F.M., (2013). The impact of migration on family left behind." In Constant, A., & Zimmermann, K. (Eds.), *International Handbook on the Economics of Migration*.

Mergo, T., (2016). "The Effects of International Migration on Migrant-Source Households: Evidence from Ethiopian Diversity-Visa (DV) Lottery Migrants," *World Development*, Volume 84, 69 - 81.

### **Module 6. Education and Development (Feb. 26 and Feb. 28).**

Duflo, Esther. (2001) "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review*, 91(4), 795 – 813.

Lucas, Adrienne, and Isaac Mbiti. (2013). "Effects of School Quality on Student Achievement: Discontinuity Evidence from Kenya", *American Economic Journal: Applied Economics*

### **Module 7: Health and Development (Mar. 4 and Mar. 6).**

Smith, James (2005). "Unraveling the SES-Health Connection", *Population and Development Review*, Special Issue (February).

Mani, Anandi, Sendhil Mullainathan, Eldar Shafir, and Jiaying Zhao. (2013). "Poverty Impedes Cognitive Function," *Science*, 341, 976 – 980.

Daren Acemoglu and Simon Johnson (2007) "Disease and Development: The Effect of Life Expectancy on Economic Growth", *Journal of Political Economy*, (December) volume 115, pp. 925 – 985

### **Module 8: Institutions and Development (Mar. 11 and Nov 13).**

Roland, Gerard. (2014). *Development Economics*. Routledge. Chapter 7. Institutions and Economic Development

Acemoglu, Daren, Suresh Naidu, Pascual Restrepo, James A. Robinson. (2019). "Democracy does cause growth" *Journal of Political Economy*, 127(1), pp. 47-100

### **Module 9: Ethnic Fractionalization, Conflict and Development (Mar. 18 and Mar. 20).**

Montalvo JG, Reynal-Querol M. Ethnic Polarization, Potential Conflict, and Civil Wars. *The American economic review*. 2005;95(3):796-816. doi:10.1257/0002828054201468

Paul Collier, Anke Hoeffler, Greed and grievance in civil war, *Oxford Economic Papers*, Volume 56, Issue 4, October 2004, Pages 563–595, <https://doi.org/10.1093/oepp/gpf064>

Mergo, Teferi, Alain D. Nimubona, Horatiu Rus. Ethnically Asymmetric Political Representation and the Provision of Public Goods: Theory and Evidence from Ethiopia. *Economics of Governance* (forthcoming).

<https://foreignpolicy.com/2020/12/18/the-war-in-tigray-is-a-fight-over-ethiopias-past-and-future/>

<https://www.globalpolicyjournal.com/blog/30/03/2021/ethiopia-must-accommodate-legitimate-demands-federalist-camp-or-perish>

### **Module 10: Corruption and Development (Mar. 25 and Mar. 27).**

Fisman, Raymond and Edward Miguel (2008). *Economic Gangsters: Corruption, Violence and the Poverty of Nations*. Princeton University Press; Chapter 4

Olken, Ben and Patrick Barron. (2009). "The Simple Economics of Extortion: Evidence from Trucking in Aceh", *Journal of Political Economy*, 117(3), 417 – 452.

Reinikka, Ritva and Jakob Svensson. (2004). "Local Capture: Evidence from a Central Government Transfer in Uganda." *Quarterly Journal of Economics*, 119(2)

### **Module 11: Concluding Remarks: Looking Ahead (Apr. 1).**

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### **Economics Department Deferred Final Exam Policy**

All deferred Final Exam requests for economics courses are administered by the Economics Undergraduate Office. Please consult the Deferred Exam Policy at

<https://uwaterloo.ca/economics/undergraduate/deferred-final-exam-policy>

### **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.

### **Academic Integrity**

**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. See the UWaterloo Academic Integrity webpage and the Arts Academic Integrity webpage for more information.

**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. For typical penalties check Guidelines for the Assessment of Penalties.

**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. When in doubt, please be certain to contact the department's administrative assistant who will provide further assistance.

**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.

### Applications for Accommodation

Students applying for accommodation due to illness or extenuating circumstances should submit their documentation (verification of illness forms, narratives concerning circumstances) to the Arts Undergrad Office using the form available at

[Accommodations for illness or extenuating circumstances | Arts \(uwaterloo.ca\)](#)

Instructors have a VIF system window linked to Quest that lists students' exemptions (including self-declared absences). Both the category of exemption granted, and the relevant dates appear in the system. This procedure is meant to protect student privacy. For further information on the process, see the page listed above.

Discretion regarding the form the accommodation takes rests with the course instructor. Guidelines are described in the course calendar,

[Undergraduate Studies Calendar | University of Waterloo \(uwaterloo.ca\)](#)

### Accommodation for Students with Disabilities

**Note for students with disabilities:** The AccessAbility Services office, located on the first floor of the Needles Hall extension (1401), 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.

### If you are using Turnitin® in your course

**Turnitin.com:** Text matching software (Turnitin®) will be used to screen assignments in this course. This is being done to verify that use of all material and sources in assignments is documented. Students will be given an option if they do not want to have their assignment screened by Turnitin®. In the first week of the term, details will be provided about arrangements and alternatives for the use of Turnitin® in this course.

Note: students must be given a reasonable option if they do not want to have their assignment screened by Turnitin®. See guidelines for instructors for more information.

**Outlines for ECON 101 and 102 must include the following statement:**

It is the responsibility of students to ensure that they write exams in the location, date, and time assigned to their section. Students writing exams in the wrong section will be assessed a 20% penalty on the final exam grade. There will be no accommodation for possible differences in exam material or content.  
(The above statement is also recommended for ECON 201, 206 and 207)

## **NEW – Recommended statements to be included on course outlines**

### **Mental Health Support**

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

#### **On Campus**

- • Counselling Services: [counselling.services@uwaterloo.ca](mailto:counselling.services@uwaterloo.ca) / 519-888-4567 ext 32655
- • MATES: one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- • Health Services Emergency service: located across the creek from Student Life Centre

#### **Off campus, 24/7**

- Good2Talk: Free confidential help line for post-secondary students. Phone: 1-866-925-5454
- • Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
- • Here 24/7: Mental Health and Crisis Service Team. Phone: 1-844-437-3247
- • OK2BME: set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS website

Download UWaterloo and regional mental health resources (PDF)

Download the WatSafe app to your phone to quickly access mental health support information

### **Territorial Acknowledgement**

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabeg and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.