

Econ 207: Economic Growth and Development

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Fall 2020 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 – unusual for a course on Economic development – but justified given the recent experiences of some of the developing countries.

A successful engagement in the class will allow students to think critically about some of the questions that development economists endeavor to address. It would be a bonus if – after taking the class – one is intrigued to consider pursuing a career as a development economist or practitioner.

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) Participation in discussion board questions (**35%**). Please see the document titled *Discussion Board Questions* for guidelines on how to complete this requirement of the course.
- 2) A 10 to 12 pages case-study paper dealing with one of the defining challenges faced by developing nations. The case studies will be due on the last day of class. For additional information on the case studies, refer to the document titled *Case Study Guidelines* in the course shell for further information (**35%**);
- 3) A mid-term that covers the first three items of the Syllabus (**30%**)

Course Schedule and Virtual Office Hours:

The relevant course contents (lecture contents and slides) will be posted in the course shell at the beginning of each week for a module scheduled for that week. Please refer to the spreadsheet titled **Course Schedule** for details on the planned weekly activities for the term.

I will be holding virtual office hours via WEBEX every Thursday between 10 and 11:30 am, as well as between 9 and 10:30 pm. The latter is for students who may be based in time zones that are significantly different from that of Waterloo's. If you are based in a time zone outside [EST – 3, EST + 10], please use the latter slot. To make the best use of the office hours, please send me your questions before 6 pm on Wednesday. However, don't hesitate to ask any questions you may have during the discussions. You are also encouraged to attend those sessions even if you don't have any questions.

Contents:

Module 1: Economic Development: An Overview; Measures and Indicators of Development.

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
4. <https://ourworldindata.org/human-development-index>

Module 2: Conventional Theories of Economic Growth and Development.

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

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.

Module 4: Population Growth and Development

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

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

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

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

UNAIDS. (2013). *UNAIDS Report on the Global AIDS Epidemic 2013*, pp. 1 – 28

Module 8: Institutions and Development

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: Social Fractionalization, Civil Conflict and Development

Burgess, Robin, Remi Jedwab, Edward Miguel, Ameet Morjaria, and Gerard Padr i Miquel. (2015). "The Value of Democracy: Evidence from Road Building in Kenya." *American Economic Review*, 105(6): 1817-1851.

Mergo, Teferi, Alain Nimubona, and Horatiu Rus. (Working Paper). "Ethnically Asymmetric Political Representation and the Provision of Public Goods: Theory and Evidence from Ethiopia"

Module 10: Corruption and Development

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

[University 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](#).

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 / 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.