

University of Waterloo
Department of Economics
Econ 207 – 001 - Online
Economic Growth and Development
Spring 2020

Instructor: Wokia Kumase
Office:HH 162
Office Hours: Virtual and by appointment.
Office Phone: 519 888 4567
Email: wkumase@uwaterloo.ca
TA: Xinyuan Yang

Course Communication:

- Due to the covid-19 pandemic, this course is conducted entirely online. This means there is no possibility to meet on campus and everything will be done through LEARN, the university's course management system (<https://learn.uwaterloo.ca/d2l/home>).
- When sending an email, "Econ 207" must appear in the subject line and the message must include your full name and student ID number.

Course Description

This course reviews major economic questions relevant to the growth and development of nations. The essence of the course will be to highlight the disparities in growth and development standards between countries, thus, addressing the quintessential question of why some countries are richer than others or what makes some countries grow while others stagnate. The emphasis will be on features common to developing countries and the development process as well as understanding growth mechanisms or the absence thereof that have hindered their development. To that end, the course is divided into two parts. In the first part, the concept of development will be reviewed and thereafter, macroeconomic analysis will be used to explore development related issues in developing countries. In part two, the focus will be on different growth theories and the key variables (factor accumulation, human capital, technology, efficiency). Other factors like the role of culture, geography, population growth, rule of law and history will be looked into.

Course Goals and Learning Outcomes

By the end of the term, students should be able to distinguish between economic growth and economic development, be capable of calculating and understanding the different measurement index for development. They will also be expected to be capable of explaining the different growth models and how the key variables of each model drive growth and development. An additional goal of the course is that students will also be expected to understand growth and development data, explore trends and be able to communicate their findings in short briefs.

Course Participation Policy:

- Lecture slides, recorded videos and a summary of the points highlighted on the slides will be posted on LEARN on a weekly basis.
- Though you may work on our class anytime you like during the week, you will need to complete quizzes and assignments as scheduled. Also note that there are set due dates and deadlines. Additionally, interacting with your fellow students through the group discussion forum by sharing your experiences, ideas and knowledge could be very helpful.
- It is advisable to spend at least 5 hours each week, reading, completing quizzes and assignments for this class. However, the choice of WHEN and HOW long you work each week is up to you.

Required Text

Todaro, P. Micheal and Stephen C. Smith, Economic Development, 12th 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.

Recommended Textbook (purchase not required)

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

Group Discussions

- You are required to participate in four group discussions in this course. The purpose of these discussions is to give you an opportunity to read, analyze, and discuss an article relating to real-world economic growth and development issues with your peers.
- The articles below will be the focus of the four group discussions:
 1. Richard A. Easterlin, 2000; The Worldwide Standard of Living Since 1800. Journal of Economic Perspectives.
 2. Shekhar Aiyar, Christian Ebeke 2019; The Missing Link Between Income Inequality and Economic Growth: Inequality of Opportunity. Vox CEPR Policy Portal. <https://voxeu.org/article/inequality-opportunity-income-inequality-and-economic-growth>
 3. Jason Sorens, 2007: Development and the Political Economy of Foreign Aid. Independent Institute, <https://www.independent.org/students/essay/essay.asp?id=2043>
 4. Daron Acemoğlu, James Robinson, 2017: The Economic Impact of Colonialism. Vox CEPR Policy Portal. <https://voxeu.org/article/economic-impact-colonialism>

Where to find this course outline:

This course outline is available at two locations for the duration of the term:

- Department of Economics website <http://economics.uwaterloo.ca/courses>
- LEARN web site (requires UW userid and password) <http://learn.uwaterloo.ca>

Additional Resources Available on Learn

- The lecture overhead slides, summary documents and videos are posted on LEARN (<http://learn.uwaterloo.ca>) and should be considered as a complement and not as a substitute to the textbook.
- The LEARN site is down occasionally. Save the course materials to your computer as soon as they are posted. Always be prepared!
- The content of all exams will be announced on LEARN and a reminder sent by email.

Course Outline

1. Introduction:

- What is development?
- Income, Poverty, Freedom Approach
- Measures and indicators of development

Required reading:

1. Todaro, Chapters 1 and 2
2. Debraj Ray Pg. 7 – 33, Development Economics.
3. Meier G. Pg. 5-17, Leading Issues in Economic Development (8th edition)

2. Theories of economic growth and development

- Rostow Model
- Harrod-Domar model
- 2 sector model
- Solow growth model
- International – Dependence Model

Required reading:

1. Todaro, Chapters 3 and 4
2. Debraj Ray Chapter 3 and 4, Development Economics

3. Inequality and development

- Measuring inequalities – Gini, Lorenz curve / other measures of inequalities
- Inequality and growth - the inverted-U hypothesis (Kuznets)

Required Reading:

1. Debraj Ray Chapter 6 and 7
2. Todaro: Chapter 5

4. Population growth and development

- Population concepts (birth/death/growth rates)
- Population growth theories
- Cost and benefits of population growth

Required Reading:

1. Debraj Ray: Chapter 9
2. Todaro: 6

5. Trade and development

- Comparative advantage
- Heckscher-Ohlin model
- Import and Export Substitution

Required Reading:

1. Debraj Ray: Chapter 16,17,18
2. Todaro: Kapitel 12, 13

6. Development Aid

- Theories of development Aid
- Bilateral and multilateral Aid
- Role and impact of development Aid

Required Reading:

1. Todaro: Chapter 15

7. Agriculture

1. Todaro - Chapter 9
2. Ray - Chapter 11

Course Requirements and Assessment

Examinations in this course are based on the material contained in the assigned textbook readings and presented as lecture contents (which are strong complements, not substitutes). The course grade will be based on 2 midterm exams, 4 group discussions and a take-home final exam.

Midterms:

Midterm reminders will be sent out by email. The midterms will cover specific chapters and will be highlighted in the email reminders and also posted on LEARN.

Group Discussions:

You are required to participate in four group discussions in this course. The group discussions can be accessed by clicking Connect and then Discussions on the course navigation bar.

Midterm 1	Friday June 05, 9:00 – 11:00am	20%
Midterm 2	Friday July 17, 9:00 – 11:00am	20%
Group Discussion 1	Monday May 25 - Friday May 29	5%
Group Discussion 2	Monday June 15 - Friday June 19	5%
Group Discussion 3	Monday July 06 - Friday July 11	5%
Group Discussion 4	Monday July 27 - Friday July 31	5%
Final exam (comprehensive)	TBA	40%

Examination Policy

Missing a Midterm Due to Illness During the Term

- Missing a midterm will automatically result in a grade of zero for that midterm. If the illness can be documented with a UW Verification of Illness Form (the only acceptable document), with approval you may transfer the weight of the missed midterm to the final exam. This remedy is a privilege and not a right.
- Students are advised to notify the instructor in person about the missed exam as soon as they can. **Email notification and scanned VIF about the missed exam is acceptable.**

Missing the Final Exam Due to Illness

- Missing the final exam is a very serious matter which automatically results in a grade of zero for the final exam and possibly a failing grade for the course. **Please carefully read the Economics Department policy on deferred final exams for instructions.**
- No deferred final exam will be provided for students who missed all the exams (including the final exam) in this course.

- It is the responsibility of students to ensure that they write exams in the location, date, and time assigned to their sections. Students writing exams in the wrong section are considered not writing exams at all and will receive a zero mark.

Fee-Arranged Issues

- Students are responsible for administrative matters concerning their course registration including fee arrangements with the Registrar's Office. No make-up work or other remedies will be given for loss of access to LEARN and academic consequences arising from administrative issues with the Registrar's Office.

Attendance Policy

- Though you may work on our class anytime you like during the week, you will need to participate in the assessments as scheduled. Also note that there are set dates for the midterms and deadlines for the group discussions. Additionally, interacting with your fellow students through the group discussion forum by sharing your experiences, ideas and knowledge could be very helpful.

Solutions to classroom exercises will be posted on LEARN but will gladly take them up during organized office hours.

Online Protocols

- Online group discussions take the place of in-class, face-to-face discussions, so think of them as an opportunity to dialogue with your classmates, not as a monologue that invites little-to-no interaction with the members of its audience.
- Replying to your peers is how you keep the conversation going. Keep your response short but purposeful. You may use a less formal tone in your responses, but always be respectful.
- Disagreement is an important part of academic discourse: when you encounter viewpoints and perspectives that differ from your own, your understanding of the issue under discussion is often deepened. Disagreement can, then, enhance learning; however, it can also result in hurt feelings and a breakdown of communication. To avoid this, it is important to be respectful in the way you communicate your disagreement. It is a good idea to acknowledge your classmate's point of view before suggesting an alternate point of view.

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 community are expected to promote honesty, trust, fairness, respect and responsibility. See the [UWaterloo Academic Integrity Webpage \(https://uwaterloo.ca/academic-integrity/\)](https://uwaterloo.ca/academic-integrity/) and the [Arts Academic Integrity Office Webpage \(http://arts.uwaterloo.ca/current-undergraduates/academic-responsibility\)](http://arts.uwaterloo.ca/current-undergraduates/academic-responsibility) 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 \(https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70\)](https://uwaterloo.ca/secretariat/policies-procedures-guidelines/policy-70). 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 to avoid committing academic offenses and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offense, or who needs help in learning how to avoid offenses (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. For information on categories of offenses and types of penalties, students should refer to [Policy 71, Student Discipline \(http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm\)](http://www.adm.uwaterloo.ca/infosec/Policies/policy71.htm). For typical penalties check [Guidelines for the Assessment of Penalties \(http://www.adm.uwaterloo.ca/infosec/guidelines/penaltyguidelines.htm\)](http://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 \(http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm\)](http://www.adm.uwaterloo.ca/infosec/Policies/policy72.htm).

Note for Students with Disabilities

The Office for Persons with Disabilities (OPD), located in Needles Hall, Room 1132, 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 OPD at the beginning of each academic term.