

**Division of Economics and Business, Colorado School of Mines**

**EBGN342 - Economic Development**

**Spring 2006**

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Office Hours: Mondays and Wednesdays 1:00 P.M. – 2:30 P.M., Tuesdays 4:30 P.M. – 5:30 P.M., Thursdays 3:30 P.M. – 5:00 P.M.

This course offers an introduction to the fascinating study of economic development. Of note, development economist Amartya Sen was awarded the 1998 Nobel Prize in Economics (actually, there is no Nobel Prize in Economics – it is The Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel) and development economist Joseph Stiglitz was awarded the prize in 2002, bringing to light the importance of this field of work in the last few decades.

The course is part of the Writing Across the Curriculum (WAC) program at CSM, and is reading and writing intensive. We begin with one economist's solution to the question "Why are some countries enormously rich and others so heartbreakingly poor?", which is the topic of On the Search for Well-Being, by Henry Bruton. Then we will read and analyze the United Nations' Human Development Report 2003. This annual publication is full of interesting development data, and will give you an idea of just where in the development race various countries sit. It also presents a set of ambitious development goals, the Millennium Development Goals, that we will review and track. If we have time we will then move on to a less traditional view of development, Peter Bauer's acidic attack on development economists, From Subsistence to Exchange and Other Essays. We won't use a formal textbook in this course; I will provide any economic models or instruction that you will need to understand these books. I will also provide a few lectures on economic development models that are not discussed in the two books that we read, and a few notes on the work of Sen and Stiglitz.

The course is targeted at the junior undergraduate level, and assumes proficiency in introductory microeconomics. EBGN311 is therefore a prerequisite. Some exposure to macroeconomics, either in EBGN201 or EBGN312, would be helpful, but is not required.

It is vital that you do the assigned reading for each class prior to that class. I encourage you to contribute to the learning environment by thinking about and even challenging the ideas in the readings, so come prepared with ideas to discuss. I will often provide questions to guide your thinking about the class's reading assignment.

**Textbooks (all available in the CSM bookstore)**

United Nations Development Program, Human Development Report 2003. Oxford University Press. A .pdf file of the report is available on Blackboard.

Henry Bruton, On the Search for Well-Being (1997), University of Michigan Press.

Peter Bauer, From Subsistence to Exchange and Other Essays (2000), Princeton University Press.

## Course Assessment

There will be a midterm examination worth 20% of the grade, a final examination worth 30% of the grade, and a final essay worth 30% of the grade. Shorter written assignments, in-class presentations and quizzes, and class participation (as opposed to attendance) are worth the remaining 20% of the grade.

I will grade each assignment/exam in whole letter grades (A, B, C, D, F) and then convert these to a GPA score (4.00, 3.00, 2.00, 1.00, 0.00). The final grade will be calculated as a weighted cumulative GPA, which is then converted back to a letter grade ( $GPA \geq 3.50 = A$ ,  $3.50 > GPA \geq 2.50 = B$ ,  $2.50 > GPA \geq 1.50 = C$ ,  $1.50 > GPA \geq 0.50 = D$ ,  $GPA < 0.50 = F$ ). The average course GPA the last time I taught the class (Spring 2004) was 2.92.

## Course Goals

At the completion of the course you should be able to:

1. understand and recite the current thinking on the causes of development successes and failures;
2. apply economic tools to the analysis of development problems and issues;
3. critically assess existing economic analyses by organizations such as the World Bank and the United Nations purporting to support various development policies;
4. provide economically sound development policy advice for a developing economy with which you are familiar;
5. articulate your ideas about economic development professionally and clearly in both written and oral forms;
6. conduct research that synthesizes and builds upon the work of other economists.

## Assignments/Exams (in chronological order)

1. Identify a developing country that you wish to analyze throughout this course and for your final paper.
2. In-class content and comprehension test on On the Search for Well-Being. Goals targeted: 1.
3. Essay # 1: Write a paper describing the development history of your country. In the paper be sure to describe and measure its development successes and failures, and the challenges that the country currently faces. Areas to investigate include culture, values, initiative, history, politics, and endowments. Use the Human Development Report 2003 to create a statistical profile of your country. Goals targeted: 1, 5.
4. In-class content and comprehension test on the Millennium Development Goals (Human Development Report 2003). Goals targeted: 1.

5. Essay #2: Write a brief essay listing and analyzing specific policy alternatives that your developing country could take where it faced with the following development problems: population growth, a debt crisis, “dependency,” and unequal wealth distribution. This essay will be peer reviewed. Goals targeted: 1, 2, 4, 5.
6. Read and comment on (peer review) a classmates’ essays #2. Goals targeted: 3.
7. Essay # 3: Take a revised essay #1 as a starting point and add to it development policy advice as in the style of essay #2, addressing the specific development problems of your country. Your advice should be based on sound economic reasoning and take into account the history of policy successes and failures in developing economies.
8. In-class midterm exam to test economic skills relating to development economics. Goals targeted: 2.
9. In-class content and comprehension test on From Subsistence to Exchange and Other Essays. Goals targeted: 1.
10. Final Paper. Write a paper evaluating (judging, assessing, measuring, determining) the development performance of your country, synthesizing your previous essays for this class, readings in the course, and any additional research that you conduct. Use an economic framework for your analysis. Mention the opportunities taken and those missed. Include policy recommendations. Your audience is your classmates. Your audience is your classmates. Goals targeted: 2, 3, 4, 5, 6.
11. Final Comprehensive Exam. Goals targeted: 1, 2, 4.

### **Academic Dishonesty**

Academic dishonesty includes, among other things, plagiarizing, cheating, enabling others to cheat, falsification of data, failure to acknowledge substantial assistance from others, and submitting work you or others did for another course as original work for this course. A student found committing any such act will be penalized and potentially expelled from the University in accordance with the University's general regulations on ethics and honesty. If you are unclear as to what constitutes academic dishonesty, come and see me *before* proceeding.