Syllabus

Econ 270a
ECONOMIC DEVELOPMENT STRATEGIES
Spring 2019

Syllabus

Description
In the new millennium rock stars and famous economists have disputed the best ways to solve global poverty and produce sustainable economic development. The World Trade Organization’s first “Development Round” of global trade talks collapsed. Yet at the same time, China and India experienced dramatic growth and poverty reduction after unilateral dramatic trade liberalization. Is there a solution to global poverty? Can countries follow a development strategy that will work? Does “globalization” hurt or help economic development? This course introduces students to the field and tools of development economics. It explores the theoretical and policy debates surrounding both historical and contemporary economic development strategies in Asia, Africa, and Latin America. Examining both international and domestic economic policy choices, we explore how countries can succeed in raising incomes, growing faster, and reducing poverty and inequality.

Learning goals
1. Intellectual: Use economic theory and data to better understand how economies develop, and how both international and domestic economic policy choices affect economic development.

2. Technical: Develop an economic toolkit and data analysis skills to examine the economic performance of developing countries.

3. Professional: Learn how to apply economic and data analysis skills to research a current economic development policy issue, evaluate evidence and present findings.

Prerequisites: At least one semester of undergraduate microeconomics and one semester of undergraduate macroeconomics, or the equivalent.

Required reading and textbook

Additional required reading: Three e-chapters from R. Feenstra and A. Taylor, International Economics (details provided in class). All other readings will be posted on our class LATTE page.
**Grading**
1. Problem Sets (3) 30%
2. Brandeis WDR Background Paper 30%
3. In-class presentations 30%
   - Strategy Analysis 15%
   - Student Paper Symposium 15%
4. Class discussion 10%

**Teaching Assistant**
TA: to be announced

**Requirements (further details on each assignment will be provided in class)**

1. **Problem Sets (30%)**
   There will be 3 take home problem sets, corresponding to the three major topics discussed in class. These will involve problem solving and data analysis using the economic tools and concepts developed in class.

2. **Brandeis WDR Background Paper (30%)**
   Annually, the World Bank invites external researchers to write background papers for the [World Development Report](https://www.worldbank.org/en/reports/publications/world-development-report). Each student will write a Brandeis “WDR Background Paper” on an economic development policy issue of his/her choice. All topics must be approved by the professor.

3. **In-class Presentations (30%)**
   - **Strategy Analysis (15%)** Each student will take the lead in presenting a short summary of one of the Strategy Analysis papers listed in the course outline. The professor will then moderate the discussion.
   - **Student Paper Symposium (15%)** Each student will present his/her WDR Background Paper in the symposium held at the end of the semester.

4. **Class Participation (10%)**
   Students are expected to attend class and participate in class discussions each week.

**SYLLABUS STATEMENT ON ACADEMIC HONESTY**
You are expected to be honest in all of your academic work. Please consult Brandeis University [Rights and Responsibilities](https://www.brandeis.edu/offices/services/studentlife/academic-integrity/rightrs.html) for all policies and procedures related to academic integrity. Students may be required to submit work to TurnItIn.com software to verify originality. Allegations of alleged academic dishonesty will be forwarded to the Director of Academic Integrity. Sanctions for academic dishonesty—such as plagiarism—can include failing grades and/or suspension from the university. *It is your responsibility* to accurately cite any words, ideas, data, charts, etc., from *any* sources you use in your work. Citation and research assistance can be found at [LTS - Library guides](https://library.brandeis.edu/research).  

**SYLLABUS STATEMENT ON DISABILITIES**
If you are a student with a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class, please see me immediately.

**SYLLABUS STATEMENT ON WORKLOAD**
Success in this four-credit course is based on the expectation that students will spend a minimum of 9 hours of study time per week in preparation for class (readings, papers, discussion sections, preparation for exams, etc.).
Course Outline
(* indicates required reading)

Introduction

1. Rock Stars, Famous Economists, and Global Poverty: How Do We Make a Difference?
      *World Bank President Kim on Ending Poverty_2012
      *Jeffrey Sachs Response and Easterly Counter-response, Washington Post, March 2005
   C. Overview: *PRLB, Chapter 1

Optional reading:
World Bank, World Development Report 2018
Symposium on Economic Development, Journal of Economic Perspectives (JEP), Summer 2010

Economic Development Goals

2. Promoting Economic Growth
   B. Measurement and Analysis
      *PRLB, Chapters 2, 4, and 3
   C. Growth Strategy
      JEP, Winter 2017

Optional reading:
J. Bhagwati and A. Panagariya, eds. India's Reforms: How They Produced Inclusive Growth, 2012
3. Reducing Poverty


   B. *Measurement and Analysis
      *PRLB, Chapter 6, pp. 180-214

   C. *Poverty Strategy

   Optional reading:
   A. Banerjee and E. Duflo, “The Economic Lives of the Poor,” JEP, Summer 2010
   World Bank Workshop on Multidimensional Poverty Measures 2010 (James Foster, Martin Ravallion)

4. Reducing Inequality


   B. *Measurement and Analysis
      *PRLB, Chapter 6, pp. 165-180, and Chapter 16, pp. 590-603

   C. *Inequality Strategy

   Optional reading:

   International Trade Policy Strategies

5. Agriculture and Primary Export-Led Growth


   B. Economic Analysis
      *PRLB, Chapter 18

   C. *Agricultural Trade Policy Strategy
      *A. Venables, “Using Natural Resources for Development: Why Has It Proven So Difficult?”
      JEP, Winter 2016.

   Optional reading:
   A. Panagariya, “Agricultural Liberalisation and the Least Developed Countries: Six Fallacies,”
6. Import Substitution Industrialization

A. *VOX: C. Bown (2018), “Protectionism was threatening global supply chains before Trump”

B. Economic Analysis
*PRLB, Chapter 19, pages 709-725

C. ISI Strategy

Optional reading:

7. Trade Liberalization, Openness and Growth


B. Economic Analysis
*PRLB, Chapter 19, pages 725-755

C. Trade Openness Strategy
*G. Hanson, “The Rise of the Middle Kingdoms,” JEP, Spring 2012.

Optional reading:

Macroeconomic Policy Strategies

8. States, Markets, and Fiscal Policy


B. Economic Analysis
*PRLB, Chapters 5 (Chapter 11 optional)
*Feenstra and Taylor, Ch. 18, Output, Exchange Rates and Short Run Macro Policy

C. Fiscal Policy Strategies

Optional reading:
J. Williamson, “From Reform Agenda to Damaged Brand Name,” Finance and Development, 2003
9. Monetary Policy and Inflation

A. *VOX: C. Abuka, et al. (2017) “Monetary policy, credit dynamics, and economic activity in developing countries”

B. *Economic Analysis
   *PRLB, Chapter 12, pp. 421-442

C. *Monetary Policy Strategies
   *J. Ocampo, “Latin America’s Growth and Equity Frustrations During Structural Reforms,” JEP, Spring 2004

Optional reading:

10. Foreign Debt and Financial Crisis


B. *Economic Analysis
   *PRLB, Chapters 13
   Optional: Feenstra and Taylor, Ch. 20, Exchange Rate Crises

C. *Debt Policy Strategies

Optional reading:

11. Student Symposium: WDR Background Papers