**Economics 473 – Development Economics – Spring 2012**

**C*alifornia State University Channel Islands***

**Dr. Claudio Paiva**

Lectures: TTH 4:30 pm – 5:45 pm at Smith Center 1908 Final Exam: May 15 (Tuesday), 4 pm – 6 pm

Office Hours: Tuesdays 1:30 pm – 2 pm and Thursdays 1:30 pm – 4:00 pm; and by appointment

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**Course Description**

Economic underdevelopment and its causes from historical, institutional and structural perspectives. Theories and patterns of growth and development, and the role of government, trade, education. Regional focus may vary by semester. Textbook: Todaro & Smith (2009): Economic Development (10th Ed)

**Course Learning Objectives**

Students who successfully complete this course will be able to: identify those aspects of classical economic theory that are less applicable in the context of a developing economy; describe the types of social, historical, cultural and institutional factors that may lead to chronic underdevelopment; apply economic reasoning in the analysis of problems that characterize developing economies, such as poverty, economic inequality and population growth; describe the effects of incomplete markets, especially labor and credit markets, on economic growth and economic development; explain the role of international trade in economic development.

**My Approach to Teaching**

The textbook provides the foundation for the course. However, my lectures and assignments will also make extensive use of “case studies” based on current and past economic, political, and social events as reported or discussed in reputable media. We may discuss these reports in class, and they may also provide background to homework and exam questions. My main goal will be to give you the basic tools to understand, analyze, and form a critical opinion about the main economic development issues of our time. In many instances we will also be discussing the links between economics, policies, politics, and social issues.

**What should you do to succeed in this course?**

1. *THINK about the material –* Memorizing information will not get you very far. You are expected to know why economic variables move up or down, how economic developments relate to each other, and how policy actions affect all this. Therefore, whether you are reading the textbook, studying for an exam, or attending my lectures, make sure you ask and understand “why”, make sure you ask and understand “how.” This is the kind of learning that will get you far in the course (i.e., grades) and in life (i.e., impressing the people who will hire and promote you).
2. *Don’t Just Show Up; Focus and Participate During Lecture* *–*  Make sure you really follow the discussion, understand each and every step taken to arrive at a certain conclusion, and take notes about the main discussion points (if you like taking notes). I see many students copying only what I put on the PowerPoint slides and what I scribble on the whiteboard. That is not very useful: first, because I post all my slides on Blackboard; second, what I write on the white board does not mean much if you do not put it in context (and context is given by the discussion during class time).
3. *Learn to Build the Bridges, Not Only to Describe the Islands –* And in this case, by islands I mean individual concepts/facts and by bridges I mean the logical connections among those concepts/facts and their “real world” implications.
4. *When Taking Notes and Studying the Material, Focus on the Bridges* *–* For instance: students who think it is sufficient to memorize that “an increase in interest rates reduces investment” will not do well in the course. Students who make sure to understand the channels through which an interest rate increase may reduce investment are likely to do much better. Sometimes I will only write on my slides that “an increase in interest rates reduces investment.” Everything else will come out during my explanation and our class discussions. You are then expected to follow, understand, and summarize the explanation and the discussion in your notes. If I gave you everything already written down, you wouldn’t be thinking about the process, so you wouldn’t be learning (you have a whole lot of things written down on your textbook, but buying a textbook doesn’t mean you learn the subject). Moreover, learning how to effectively follow a discussion, extract what is important, and arrange the main points in a logic sequence is an extremely valuable skill, even more valuable than the course subject.
5. *Come to Class* *–* I do not take attendance: I believe in freedom of choice and personal responsibility. But if you look at points 1-4 above, and if you remember that the course will be taught at a high level, you will probably arrive at the conclusion that coming to class is important.
6. *Read the Book* *–* The textbook is an extremely valuable source of information. You are expected to read every chapter covered in class – do not wait for specific reading assignments. My former students mentioned that reading the chapter before it is covered in class is very helpful.

**Grades**

MID-TERM EXAM = 20% FINAL EXAM = 35% CLASS PARTICIPATION AND COUNTRY UPDATES = 5% HOMEWORK = 5% TERM PAPER = 30% PAPER PRESENTATION = 5%

The final course grade is based on the ratio of the weighted sum of all points earned to the weighted sum of all points possible. I expect the average class score to earn a grade of B- or C+. Let me emphasize that I want you to learn and do well in the course, and I will be glad to provide you with extra help if needed: please don't hesitate to drop by during office hours or to make an appointment with me for another time.

**Exams**

The exams in this course are designed to challenge your ability to apply the concepts of development and analyze real world problems - simply memorizing concepts and definitions will not get you very far. Many questions may require you to read about an economic issue or a country experience, explain the economic reasoning behind it, identify problems and suggest solutions using the concepts discussed in the course.

**Term paper and class presentation: “adopt a country”**

Working in groups of three students, at the beginning of the course you will “adopt” a developing country of your choice. I expect you to read about this country throughout the semester and to provide periodic updates to the class about economic conditions and other important developments. Your paper and class presentation will be based on the country you adopt and shall be developed in 4 main stages:

1. *Paper - Introduction*: describe the main economic, social, and political characteristics of the country you adopt. Include economic aspects such as size and distribution of GDP, the most dynamic economic sectors, the main export and import products, the country’s inflation record, income distribution, etc. From a political perspective, include information such as the system of government, when the country became independent, whether it is a stable democracy, how often elections occur, etc. From a social perspective, indicate the main characteristics of the population, education attainment, life expectancy, population growth rate, quality of life indicators (access to clean water, sewage, and health services), etc. Notice this list is indicative, and one of your tasks is to identify the important information to be included for your specific country so as to help the reader understand the development issue you’ll address in the rest of your report. This part should be about two or three pages long. It is due **February 7** and will count for 5% of your grade.
2. *Paper – Assessing a development issue*: discuss an important economic or development issue in your adopted country. This can be an ongoing or a historical issue. It is crucial that you formulate and support a hypothesis. You may come to me for suggestions or to discuss preliminary ideas. Your main goal will be to assess the country’s success or failure in this particular issue, discuss how the country has been addressing the issue you have chosen or how the country dealt with that the issue in the past. Discuss the implications for the economy and for the standard of living of the population. This part should be about three pages long. It is due **March 27** and will count for 10% of your grade.
3. *Paper - Comparative Analysis and Conclusion*: discuss other developing countries’ experiences regarding the issue you selected in part 2. Compare the evolution, the causes, or the implications of this issue in other developing countries. What strategies and policies have been followed in other countries to address the issue? How do these strategies compare with the strategy followed in your adopted country? What seems to work best? This part should be about three pages long. It is due **April 26** and will count for 10% of your final grade. On this date you should also turn in the entire paper (all three parts). The final product and how well the three parts are connected together will count for an additional 5% of your final grade.
4. *Class Presentation:* prepare a 20 min presentation based on your paper and any feedback you may have obtained. Be prepared to answer questions from me and your classmates. The presentations will take place on **May 8 – 10**  and will count for 5% of your final grade.

I will grade your paper and evaluate your presentation looking for a through application of the analytical tools covered in the course as well as critical and original thinking. I view this paper and the class presentation as very important components of your learning experience. I will therefore be glad to discuss your ideas and provide comments on earlier drafts of your paper.

**Homework**

Short homework assignments will be given after each major block of material. The assignments may include some direct, straightforward questions about the material in the textbook as well as applied or analytical questions based on various country experiences. Some questions shall be related to your “adopted” country as described in the previous section.

**Class participation**

I expect students to participate in class discussions. Participation may include answering questions, raising relevant questions, and making connections between the lecture/textbook material and country experiences. Reading the textbook ahead of class, reviewing lecture material, and following international developments should facilitate your participation in class. You will also be asked to share information about developments in your adopted country and explore potential connections to the class subject.

**Academic Honesty**

*1. Academic dishonesty includes such things as cheating, inventing false information or citations, plagiarism and helping someone else commit an act of academic dishonesty. It usually involves an attempt by a student to show possession of a level of knowledge or skill that he/she does not possess.*

*2. Course instructors have the initial responsibility for detecting and dealing with academic dishonesty. Instructors who believe that an act of academic dishonesty has occurred are obligated to discuss the matter with the student(s) involved. Instructors should possess reasonable evidence of academic dishonesty. However, if circumstances prevent consultation with student(s), instructors may take whatever action (subject to student appeal) they deem appropriate.*

*3. Instructors who are convinced by the evidence that a student is guilty of academic dishonesty shall assign an appropriate academic penalty. If the instructors believe that the academic dishonesty reflects on the student's academic performance or the academic integrity in a course, the student's grade should be adversely affected. Suggested guidelines for appropriate actions are: an oral reprimand in cases where there is reasonable doubt that the student knew his/her action constituted academic dishonesty; a failing grade on the particular paper, project or examination where the act of dishonesty was unpremeditated, or where there were significant mitigating circumstances; a failing grade in the course where the dishonesty was premeditated or planned. The instructors will file incident reports with the Vice Presidents for Academic Affairs and for Student Affairs or their designees. These reports shall include a description of the alleged incident of academic dishonesty, any relevant documentation, and any recommendations for action that he/she deems appropriate.*

*4. The Vice President for Student Affairs shall maintain an Academic Dishonesty File of all cases of academic dishonesty with the appropriate documentation.*

*5. Student may appeal any actions taken on charges of academic dishonesty to the "Academic Appeals Board."*

*6. The Academic Appeals Board shall consist of faculty and at least one student.*

*7. Individuals may not participate as members of the Academic Appeals Board if they are participants in an appeal.*

*8. The decision of the Academic Appeals Board will be forwarded to the President of CSU Channel Islands, whose decision is final.*

# Disability Accommodations:

# *Cal State Channel Islands is committed to equal educational opportunities for qualified students with disabilities in compliance with Section 504 of the Federal Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA) of 1990. The mission of Disability Accommodation Services is to assist students with disabilities to realize their academic and personal potential. Students with physical, learning, or other disabilities are encouraged to contact the Disability Accommodation Services office at (805) 437-8510 for personal assistance and accommodations.*

**Notice**

Information contained in this syllabus, other than that mandated by the University, may be subject to change with advance notice, as deemed appropriate by the instructor.