

Economic Development and policy
ECON 3784-001
spring 2014
Professor Akacem
Monday 5:00:7:30 p.m.
ECON 117
Office: Econ 216-A
Office hours: Monday 3:00 to 4:50 p.m. or by appointment
Course material posted on: <https://learn.colorado.edu>

Please Note: I generally do not encourage the use of lap tops in class. If you have a documented need for them, please do see me so that we can make sure that your use of the lap tops does not interfere with others. The evidence shows that these are used for things that have nothing to do with class and they distract others. The same goes for the use of **cell phones and texting**. **There is zero tolerance for their use.**

Email: Please email me at: akacem@colorado.edu

Highly recommended:

“Understanding Economics, Back to Basics from Finance & Development explains some fundamental concepts of economics.”

<http://www.imf.org/external/pubs/ft/fandd/basics/>

Three assigned chapters posted on D2L from the following:

William Easterly. The White’s Man Burden: Why the West’s Efforts to Aid the Rest Have Done So Much Ill and So Little Good, Penguin Books, 2006.

Back to basics series: posted on D2L. You can use it as background material or refresher for key concepts that you may wish to review.

Purpose of the Course:

The purpose of the course is to acquaint the student with the major issues in development economics and policies. By the end of the course the student should be acquainted with most of the major issues in economic development policy and what both developing countries and international institutions are doing to confront the major constraints facing poor countries.

Schedule of Readings and Topics:

The class meets once a week for two and half hours. The outline below is tentative and may change somewhat depending on the pace of the class and new material as well as discussion of case studies. The material covered in class may be more than what your outline shows and additional readings will be assigned during the semester.

Attendance and general exam policy:

Attendance is required. I will be taking attendance at various times during the semester. I may use it at my discretion to benefit students with excellent attendance in the event that their overall grade is extremely close to the next letter grade. This is **NOT** part of the grading criteria but only a possible adjustment for those with excellent attendance.

You are given the exam dates in advance so do plan ahead. There are no make up for missed exams

4.

Week 5:
Exam 1:

Week 9:

Todaro: Chapter 12: International Trade Theory and Development Strategy

FD: Why Nations Trade from Back to basics:

<http://www.imf.org/external/pubs/ft/fandd/2009/12/pdf/basics.pdf> (and D2L)

FD: International Trade: Commerce among Nations

<http://www.imf.org/external/pubs/ft/fandd/basics/trade.htm>

Week 10:

Todaro: Chapter 13: Balance of Payments, Debt, Financial Crises and Stabilization Policies

WE, Chapter 6 “The Loans That Were, the Growth that Wasn’t,” pp. 101- 122;

WE, Chapter 7 “Forgive Us Our Debts,” pp. 123-139.

Case study: Documentary “The Crash” The Asian crisis, IMF and implications to development, in class discussion of it

Week 11: Spring Break**Week 12:**

Exam 2: Monday March 31st, 2014. Material from week 5 to week 10 and any material assigned. As with Exam 1, we will start on the new material for this week and then start the exam.

Todaro: Chapter 14: Foreign Finance, Investment, and Aid: Controversies and Opportunities

WE, Chapter 2, Aid for Investment (repeat), pp: 25-45

FD: Remittances: Funds for the Folks Back Home

<http://www.imf.org/external/pubs/ft/fandd/basics/remitt.htm>

Under assigned readings in D2L: Chapter 2, “The legend of the big Push” by William Easterly

Week 13th: We will finish the material from week 12.

Todora: Chapter 15: Finance and Fiscal Policy for Development (Financial Markets, **Monetary** Policy and development) Lecture material will go beyond the text.

FD: Islamic Financial Systems by Zamir Iqbal

<http://www.imf.org/external/pubs/ft/fandd/1997/06/pdf/iqbal.pdf>

Week 14th: Lecture: Currency markets, exchange rates, Big Mac Index and capital flows need to Review the documentary The Crash, assigned for this week

FD: Capital Accounts: Liberalize or Not?

<http://www.imf.org/external/pubs/ft/fandd/basics/capital.htm>

Exchange rate regimes: Fix or Float?

<http://www.imf.org/external/pubs/ft/fandd/2008/03/pdf/basics.pdf>

Week 15th:

Globalization, Institutions and Development

Data source for Worldwide Governance Indicators

<http://info.worldbank.org/governance/wgi/index.aspx#home>

Institutions matter but not for everything, by Jeffrey Sachs
<http://www.imf.org/external/pubs/ft/fandd/2003/06/pdf/sachs.pdf>

points will be added to your exam 3 grade.

A file titled Suggested data sources for the optional assignment can be found in D2L. It will give you a number of data sources.

Grade 100% scale

A 93.4-100
A- 90.0-93.3
B+ 86.7-89.9
B 83.4-86.6
B- 80.0-83.3
C+ 76.7-79.9
C 73.4-76.6
C- 70.0-73.3
D+ 66.7-69.9
D 63.4-66.6
D- 60.0-63.3
F less than 60

Your final grade will be according to the percentage of total points that you earn based on the