

# **International Economic Development**

Fall 2011

Course #56:834:606

Tuesdays 1:30pm-4:20pm

Graduate Program in International Public Service and Development

Rutgers University-Camden

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Office Hours: Tuesdays 12:25pm-1:20pm, Thursdays 4pm-5:30pm, and by appointment

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## **Overview:**

In this course we will review key determinants of economic development. We will start by defining economic development, considering the factors of economic growth, poverty, and inequality in our definition. We then review the main theories of economic development, which attempt to explain why some countries are rich and others are poor (or somewhere in between). We also consider the role of political institutions, human capital (health and education), and the tradeoffs between urban and rural development in generating economic development. In addition, we assess the role of international trade, foreign aid, globalization and international institutions. Throughout the course we will use case studies as evidence for what works and doesn't work in development. We will assess the recent history and prospects for economic development in Latin America, Asia (India and China), and the African continent.

## **Required Readings:**

1. Sachs, Jeffrey. 2006. *The End of Poverty: Economic Possibilities for Our Time*. New York: Penguin Group.
2. Paul Collier, *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*, 2008. Oxford UP.

3. Birdsall, Nancy, Augusto de la Torre and Rachel Menezes. 2008. *Fair Growth: Economic Policies for Latin America's Poor and Middle Income Majority*. Washington, DC: Brookings Institution Press.

Articles are posted on Sakai or are available online.

## **Policies**

**Department Student Learning Policy:** This course is designed to contribute to the implementation of the Department's Student Learning Policy. The policy states that students should be able to:

1. Conduct research relevant to public policy and administration,
2. Write clearly and persuasively on public policy and management issues
3. Present information and ideas effectively orally
4. Show experience in working on public policy and administration
5. Apply knowledge and skills in a rewarding position.

The full policy is available on the Department of Public Policy and Administration website.

**Disability Policy:** Please advise me as soon as possible of any disability that may affect your performance in this course. I will make all necessary accommodations so that your learning, writing, and testing needs may be appropriately met. You are required by the University to provide documentation of the disability to the Student Life Office, Rutgers Learning Center, or Graduate School Dean.

**Late Paper Policy:** Late papers will be marked down one grade for every day they are tardy. Extensions will be granted only in extreme cases.

**Attendance Policy:** Attendance in this course is mandatory. If you must miss class, you should contact me ahead of time.

**Academic Integrity:** All students of Rutgers-Camden are required to adhere to the University's Academic Integrity Policy. Violations of the Policy include cheating, fabrication, plagiarism, denying others access to information or material, and facilitating violations of academic integrity. Should you have any questions regarding behavior that may be defined as a violation of the University's Policy, please do not hesitate to discuss the matter with me. Please see the following link for further information: <http://academicintegrity.rutgers.edu/integrity.shtml>.

## Course Requirements and Grade Apportionment

1. Reading all assigned materials
2. Research and Writing Project 1: Theory .....10%
3. Research and Writing Project 2: Argumentation.....10%
4. Active contributions to class discussions.....15%
5. Presentation of research theory.....5%
6. Presentation of research arguments and findings.....5%
7. Discussion facilitation.....15%
8. Final Research and Writing Project: Analysis and Synthesis.....40%

### Research and Writing Project:

For this project you will be asked to assess the economic successes or failures of a country of your choice. For the first part of the assignment you will search the literature on economic development for relevant theories to explain the successes or failures in your chosen country. You will then present these to the class on October 18. In the second part of the paper, you will argue for the primacy of one or a few theories to explain the experience of your country. This section of the paper will be presented to the class on November 15. For the final paper, due by 1pm on December 20, you will present analysis to support your argument and synthesize the results in a conclusion. This paper should incorporate revisions to the previous sections to present one cohesive paper. We will discuss further details of the project throughout the semester.

### Participation and Discussion Facilitation:

Though I will present short lectures in each class, the majority of the course will be conducted as a seminar. Your participation grade depends on your active contribution and preparation for class discussions. In addition, in the first week of class you will sign-up to facilitate one class discussion. In this role you will be asked to summarize the week's reading, including the main arguments and conclusions, before providing your assessment of the readings and posing questions for the class to consider.

## Schedule and Reading Assignments:

### Week 1 - September 6

Introductions

How can we define economic development?

What are the goals of economic development?

**Week 2 - September 13** - Part I: Why have some countries gotten rich while others remain poor?

Peter Timmer, "How Countries Get Rich," CGD Brief, February 2006

Collier, *The Bottom Billion*, Part 2

Sachs, *Poverty*: Chapters 1, 2 and 3

**Week 3 - September 20** - Part II: Why have some countries gotten rich while others remain poor?

Tanzi, Vito. 1998. "Corruption Around the World: Causes, Consequences, Scope and Cures," International Monetary Fund Staff Papers. Vol. 45, No. 4.

Dennis de Tray, "Governance and Corruption: An Impolitic View", CGD Brief,

Acemoglu, Daron. "Root Causes: A Historical Approach to Assessing the Role of Institutions in Economic Development," Finance and Development, June 2003, International Monetary Fund, Washington, DC.

Rodrik, D. and A. Subramanian "The Primacy of Institutions," Finance and Development, June 2003, International Monetary Fund, Washington, DC.

Sachs, J. "Institutions Matter, But Not For Everything," Finance and Development, June 2003, International Monetary Fund, Washington, DC.

**Week 4 - September 27**: What have been the main prescriptions for reform?

Sachs, *Poverty*, Chapters 4, 5, 6 and 7

Collier, *The Bottom Billion*, Chapters 8 and 9

Rodrik, Dani. 2009. "The New Development Economics: We Shall Experiment, but How Shall We Learn." Chapter 2 in *What Works in Development: Thinking Big and Thinking Small*, Jessica Cohen and William Easterly, eds. Washington, DC: Brookings Institution Press.

Stiglitz, Joseph. "Is there a Post-Washington Consensus Consensus?", in *The Washington Consensus Reconsidered*, with Narcis Serra (eds.), New York: Oxford University Press, 2008, pp. 41-56.

**Week 5 – October 4:** What is the effect of trade and globalization on economic development?

Collier, *The Bottom Billion*, Chapter 10

Stiglitz, Joseph. 2006. "Social Justice and Global Trade." *Far Eastern Economic Review*, Vol. 169, No. 2. p. 18-22.

Milanovic, Branko. 2003. "The Two Faces of Globalization: Against Globalization as We Know It." *World Development*. Vol. 31, No. 4, p. 667-683.

Dollar, David and Aart Kraay. 2002. "Spreading the Wealth." *Foreign Affairs*, Vol. 81, No. 1. p. 120-133.

**Week 6 - October 11:** What is the link between human capital and economic development?

Sachs, *Poverty*, Chapters 11 and 12

Bloom, David E., David Canning and Dean T. Jamison. 2004. "Health, Wealth, and Welfare." *Finance and Development*, Vol. 41, no. 1:10-15. Reprinted as Ch. 20 in *The Development Economics Reader*, edited by Giorgio Secondi.

Dixon, Simon, Scott McDonald, and Jennifer Roberts. 2002. "The Impact of HIV and AIDS on Africa's Economic Development." *British Medical Journal*, Vol. 324.

Filmer, Deon, Amer Hasan and Lant Pritchett. 2006. "A Millennium Learning Goal: Measuring Real Progress in Education." Center for Global Development Working Paper Number 97.

**Week 7 - October 18:** Can aid really help?

Sachs, *Poverty*, Chapters 13, 14, 15, 16 and 17

Collier, *The Bottom Billion*, Chapter 7

Birdsall, Nancy and William D. Savedoff, 2010. Chapters 1 and 2 from *Cash on Delivery: A New Approach to Foreign Aid*, Washington, DC: Center for Global Development.

**Week 8 - October 25: Research and Writing Project 1: Theory**  
Paper Due (10%) and Presentation to Class (5%)

**Week 9 – November 1:** Latin America: Unequal Growth

Birdsall, Nancy, Augusto de la Torre and Rachel Menezes. 2008. *Fair Growth: Economic Policies for Latin America's Poor and Middle Income Majority*, Washington, DC: Brookings Institution Press. (online through the Center for Global Development, or available for purchase in hardcopy)

**Week 10 - November 8:** Asia – Are India and China modern success stories?

Sachs, *Poverty*, Chapters 8 and 9

Das, Gurcharan. 2006. "The India Model."

Alan Winters and Shahid Yusuf. 2007. Chapter 7 in *Dancing with Giants. China, India and the Global Economy*, World Bank and Institute of Policy Studies.

**Week 11 - November 15:** Africa – What are the prospects for African development?

Sachs, *Poverty*, Chapter 10

Radelet, Steven. 2010. *Emerging Africa: How 17 Countries Are Leading the Way*, Center for Global Development Policy Brief.

David Bloom and Jeffrey Sachs, "Geography, Demography and Economic Growth in Africa," *Brookings Papers on Economic Activity No. 2*, Washington DC: The Brookings Institution, 1998.

Christiansen, Luc and Lionel Demery. 2010. *Are African Countries Paying Too Much Attention to Agriculture?*

French, Howard W. 2010. "The Next Empire."

**November 22:** No class due to university schedule change. Thursday classes will meet.

**Week 12 - November 29:** Research and Writing Project 2: Argumentation Paper Due (10%) and Presentation to Class (5%)

**Week 13 – December 6:** Is there a tradeoff between urban and rural development?

World Bank. 2009. "Chapter 1: Density," in *World Development Report 2009: Reshaping Economic Geography*. Washington, DC: World Bank.

World Bank 2008. "Chapter 1: Growth and Poverty Reduction in Agriculture's Three Worlds," in *World Development Report 2008: Agriculture for Development*. Washington, DC: World Bank.

**Week 14 - December 13:** Is there a tradeoff between economic growth and environmental sustainability?

Shalizi, Zmarak. 2007. "Energy and Emissions: Local and Global Effects of the Giants' Rise," Chapter 5 in *Dancing with the Giants: China, India, and the Global Economy*, Washington, DC: World Bank 2007.

David Wheeler and Kevin Ummel, "Another Inconvenient Truth: A Carbon-Intensive South Faces Environmental Disaster, No Matter What the North Does,"

**December 20 – Final Paper due by 1pm.** Please deliver the paper to Dr. Donaghy's Office at 401 Cooper St.