

Economics of Developing Areas

Economics 360-004 – Spring 2016

Wednesday 7:20pm - 10:00pm, Robinson Hall B111

Instructor: Paola A. Suarez Email: psuarez@gmu.edu Office Hours: By appointment

Office: Mason Hall, D134-20

Course Description

The objective of this course is to familiarize students with theoretical and empirical work in economics aimed at addressing the question, “Why are some nations rich and others poor?” In particular, we will investigate what development is and focus on understanding the role of economic policy, foreign aid, geography, fractionalization, and institutions (law, property rights, politics, and culture).

Prerequisites

Principles of Microeconomics (ECON 103) and Principles of Macroeconomics (ECON 104).

Required Books

Acemoglu, Daron and James Robinson. 2012. *Why Nations Fail*. New York: Crown Business.

Coyne, Christopher. 2008. *After War: The Political Economy of Exporting Democracy*. Stanford: Stanford University Press.

Coyne, Christopher. 2013. *Doing Bad by Doing Good: Why Humanitarian Action Fails*. Stanford: Stanford University Press.

Easterly, William R. 2002. *The Elusive Quest for Growth: Economists’ Adventures and Misadventures in the Tropics*. Cambridge: MIT Press.

Easterly, William R. 2006. *The White Man’s Burden*. New York: Penguin Books.

Leeson, Peter T. 2014. *Anarchy Unbound*. Cambridge: Cambridge University Press.

Norberg, Johan. 2003. *In Defense of Global Capitalism*. Washington, DC: Cato Institute.

Recommended

Bauer, Peter. 2000. *From Subsistence to Exchange*. Princeton: Princeton University Press.

Bastiat, Frederic. 1991. *Economic Sophisms*. New York: Foundation for Economic Education.
Available free at: <http://www.econlib.org/library/Bastiat/basSoph.html>.

Marginal Revolution University: <http://www.mruniversity.com/>

Principles of Micro:

<http://www.mruniversity.com/courses/principles-economics-microeconomics>

Development Economics:

<http://www.mruniversity.com/courses/development-economics-0>

Honor Code

George Mason University has an Honor Code, which requires all members of this community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited and will not be tolerated. All violations of the Honor Code will be reported to the Honor Committee. See <http://honorcode.gmu.edu> for more detailed information.

Grading

Your grade in this course consists of weekly quizzes (80%) and a final exam (20%).

Quizzes: Quizzes are comprised of short-answer questions designed to test your intuitive understanding of the assigned readings. This is a reading-intensive class—you can expect about 120 pages of assigned reading on average per week—which means you cannot and will not do well unless you do the assigned readings prior to the lectures, and attend and pay close attention during the lectures. I will drop the lowest quiz grade to allow for unexpected events that may prevent you from taking a quiz. No make-up quizzes are available. No exceptions.

Final: The final exam is from **7:30 pm to 10:15 pm on Wednesday May 17th**. The final exam is comprehensive and you must take it on this date. If you know ahead of time of some extenuating circumstance that will prevent you from taking the final on the scheduled date, you must contact me at least one week prior to the exam. In the event that you are excused from taking the final on the scheduled date upon contacting me, we will arrange an alternate date. If you do not contact me ahead of time and do not take the final on the scheduled date, you will receive a zero. No exceptions.

Participation: If, in my opinion, you are a student who consistently participates in class and/or your regular participation is exceptionally insightful and improves class discussion, I will increase your final semester grade by up to 8 percentage points.

The grading scale is as follows.

A+	A	A-	B+	B	B-	C+	C	C-	D	F
98+	93-97	90-92	87-89	83-86	80-82	77-79	73-76	70-72	60-69	< 60

No additional credit is available. No exceptions.

Readings and Attendance

Readings: This is a reading-intensive course. There will be weekly reading assignments, announced during class and by email at least one week in advance. Reading assignments are to be read *before* class. I may occasionally supplement the readings with video/audio material, which

should also be viewed *before* class. You will be tested on all assigned material every week via the quizzes, and you will be tested again on this material during the final. Failing to carefully do the readings before class every week will severely depress your grade.

Attendance: I will not formally track attendance and thus it will not directly impact your grade. As the grading scheme above suggests, however, the weekly quizzes are designed to incentivize timely completion of the readings and also attendance to every lecture and for the entire duration of the lecture. Additionally, the quizzes also incentivize alertness and attentiveness during each lecture. Failing to attend each lecture and/or failing to pay attention during each lecture will depress your grade. You are responsible for acquiring missed information in the event that you miss class. You are also responsible for any information delivered to your GMU email, so I encourage you to take the required steps to ensure your GMU email account is working properly.

Disability Notice

If you are a student with a disability and need academic accommodations, please see me and contact the Disability Resource Center (DRC) at 703.993.2474 or <http://ods.gmu.edu>. All academic accommodations must be arranged through that office. You must request all academic accommodations at the beginning of the semester.

Other Important Dates

Last day to add/drop classes with no tuition penalty—Tuesday, January 26th

Last day to drop (33% tuition penalty)—Tuesday, February 2nd

Last day to drop (67% tuition penalty)—Friday, February 19th

Selective Withdrawal Period—Monday, February 22nd – Friday, March 25th

Course Outline

This is a tentative outline, subject to change due to weather and other factors.

1. Microeconomic Principles Review
2. Introduction to Economic Development
3. The Facts of Economic Development
4. Theories of Economic Development I: Geography, Democracy, Foreign Aid, Population Growth
5. Theories of Economic Development II: Colonialism, Legal Institutions, Culture
6. Theories of Economic Development III: Institutions, Public Choice and Barriers to Development

Spring Break – March 7th-13th