

General Course Information

Instructor: Kurt Annen
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Office Location: MacK 713
Office Hours: T, Th 9:00 – 9:45
Department/School: Department of Economics and Finance

Class Schedule: Lecture: T, Th 1:00 – 2:20 in MacK 235

Pre-requisites: ...

Co-requisites: ...

Course Description

The objective of the course is to get an in-depth understanding of selected topics in development economics. The class material consists of original research papers that appeared in major economics journals. Most of these papers are quite recent and represent up-to-date research. The emphasis of the course is to combine theoretical and empirical research. It is important not only to recognize the results of a research paper but also to understand how this result is obtained. This means for students who have limited skills in mathematics and statistics that they will have to spend extra effort to be successful in this course. There are two in-class midterms, a final exam, and a term paper that count towards the final mark.

Indicative Content

DATE	TOPIC	READING (required)
PART I: Inequality and Poverty		
04-Sep	1 What is Development? Course Overview	
09-Sep	2 Facts about World Inequality	Bourguignon and Morrisson (2002)
11-Sep	3 Measurement of World Poverty	Deaton (2010)
16-Sep	4 Poor Numbers	Jerven (2013)
PART II: Theories of Economic Growth and Development		
18-Sep	5 The Augmented Solow Growth Model: Theory and Empirics	Mankiw et al. (1992)
23-Sep	6 Endogenous Growth Theory	Romer (1994)
25-Sep	7 Endogenous Growth Theory: The Big Push	Murphy et al. (1989) (Parts I – IV)
30-Sep	8 The O-Ring Theory of Economic Development	Kremer (1993) (Part I only)
02-Oct	Midterm 1 (in class)	Covers Lectures 1 to 8
PART III: Government and Development		
07-Oct	9 State Capacity	Besley and Persson (2009)

09-Oct	10	Why do the Poor not expropriate the Rich?	Roemer (1998)
14-Oct	11	Taxes in Developing Countries	Bird (2012)
16-Oct	12	The Informal Sector	McKenzie and Sakho (2010)
21-Oct	13	Social Capital and the Informal Sector	Annen (2013)
23-Oct	14	Institutions and Development	Acemoglu et al. (2001)
28-Oct	15	Institutions and Development Revisited	Glaeser et al. (2004)
30-Oct		Midterm 2 (in class)	Covers Lectures 9 to 15
PART IV: Foreign Aid and Development			
04-Nov	16	Conditionality in Aid Giving	Svensson (2003)
06-Nov	17	Donor Aid Allocations	Alesina and Dollar (2000)
11-Nov	18	Aid Fragmentation	Knack and Rahman (2007)
13-Nov	19	Aid Effectiveness	Clemens et al. (2012)
18-Nov	20	Forms of Aid	Cordella and Dell'Ariccia (2007)
20-Nov	21	Aid delegation	Annen and Knack (2014)
25-Nov	22	TBA	TBA
TBA		Final Exam	Covers Lectures 16 to 22

Course Assessment

			Associated Learning Outcomes	Due Date/ location
Assessment 1:	20%	Midterm 1	See below	Oct 2, in class
Assessment 2:	20%	Midterm 2	See below	Oct 30, in class
Assessment 3:	20%	Final Exam	See below	TBA
Assessment 4:	40%	Research Paper	See below	Dec 5, 11:15pm by email
Total	100%			

Course Resources

Required Texts:

A list of papers discussed in class is required. You need a hardcopy of each paper since exams are open book exams. You can print the papers off the class web site at CourseLink. Since exams are open-book exams, it is very important that you know the papers very well. Therefore, it is critical to read papers before class and bring them to class when we discuss them so you can make notes directly on the hard copy.

Course Policies

Grading Policies

In this class you need to write a research paper. With respect to the topic you have two choices: 1) you can choose a paper from the reading list of this class and replicate and then slightly modify this research. This is a highly valuable

exercise as you can see the craftsmanship of research that got published in high quality economics journals. 2) You can choose a research topic related to development.

Paper Project Deadlines:

- o A 2 page abstract of the paper has to be handed in by email by September 26, 11:15pm.
- o A paper with 15 pages at most (excluding appendix) has to be handed in by email by December 5, 11:15pm.

In order to sign up for this class, you must assure that you do not have a conflict with any of the exams. If you miss one of the midterms, the missing midterm will count as 0% in the overall grade according to the weights indicated above unless suitable documentation is presented. In case you have a legitimate reason for missing a midterm (upon presentation of suitable documentation), the weight of the missed midterm (20%) is distributed equally over the remaining two exams.

Course Policy regarding use of electronic devices and recording of lectures

All electronic devices have to be switched off during class time. This includes smart phones and notebook computers. Electronic recording of classes is expressly forbidden without consent of the instructor. When recordings are permitted they are solely for the use of the authorized student and may not be reproduced, or transmitted to others, without the express written consent of the instructor.

University Policies

Academic Consideration

When you find yourself unable to meet an in-course requirement because of illness or compassionate reasons, please advise the course instructor in writing, with your name, id#, and e-mail contact. See the academic calendar for information on regulations and procedures for

Academic Consideration: <https://www.uoguelph.ca/registrar/calendars/graduate/2014-2015/>

Academic Misconduct

The University of Guelph is committed to upholding the highest standards of academic integrity and it is the responsibility of all members of the University community, faculty, staff, and students to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring.

University of Guelph students have the responsibility of abiding by the University's policy on academic misconduct regardless of their location of study; faculty, staff and students have the responsibility of supporting an environment that discourages misconduct. Students need to remain aware that instructors have access to and the right to use electronic and other means of detection. Please note: Whether or not a student intended to commit academic misconduct is not relevant for a finding of guilt. Hurried or careless submission of assignments does not excuse students from responsibility for verifying the academic integrity of their work before submitting it. Students who are in any doubt as to whether an action on their part could be construed as an academic offence should consult with a faculty member or faculty advisor.

The Academic Misconduct Policy is detailed in the Academic Calendar:

<https://www.uoguelph.ca/registrar/calendars/graduate/2014-2015/>

Accessibility

The University of Guelph is committed to creating a barrier-free environment. Providing services for students is a shared responsibility among students, faculty and administrators. This relationship is based on respect of individual rights, the dignity of the individual and the University community's shared commitment to an open and supportive learning environment. Students requiring service or accommodation, whether due to an identified, ongoing disability or a short-term disability should contact the Centre for Students with Disabilities as soon as possible.

For more information, contact CSD at 519-824-4120 ext. 56208 or email csd@uoguelph.ca or see the website: <http://www.csd.uoguelph.ca/csd/>

Course Evaluation Information

Please refer to <https://www.uoguelph.ca/economics/course-evaluation>

Drop date

The last date to drop one-semester courses, without academic penalty, is e.g. **October 31, 2014**. For regulations and procedures for Dropping Courses, see the Academic Calendar:

<https://www.uoguelph.ca/registrar/calendars/graduate/2014-2015/>

Course Learning Outcomes

e.g. Upon successfully completing this course, you will be able to:

Knowledge and Understanding:

- 1) Microeconomic Modeling: Using game theory and micro economic theory to understand incentive structures in the context of economic development.
- 2) Macroeconomic Modeling: Using macro economic growth models to understand income growth differences across countries.
- 3) Statistical and Econometric Methodology: Basic data analysis, hypothesis testing, confidence intervals, and regression analysis.

Discipline/Professional and Transferable Skills:

- 4) Written communication: Exams consists in short-answer questions where students are required to give precise and concise written answers in a limited space.
- 5) Problem Solving in a Real World Context (e.g., using models to explain income differences across countries)
- 6) Empirical testing in a Real World Context (e.g., gather data to describe income levels, inequality, investments, etc. across countries)

Attitudes and Values:

- 7) Academic Integrity