Econ 6693.001 Development Economics

“All happy families are alike; each unhappy family is unhappy in its own way.”
Leo Tolstoy, Anna Karenina

Instructor: Fırat Demir; Office: Cate Center 1, Room 436; Office Hours: M 10:00-12:00, Tel. 325-5844, E-mail: fdemir@ou.edu. Class time: TR 10:30-11:45 am. Cate Center 145

1. Course Objective

This course is a graduate level seminar on development economics and is designed to introduce students to theoretical and empirical questions, policy issues, methods and controversies in the field. The course is organized around class discussions on assigned readings.

Throughout the course we will pay special attention to the evolution of development thinking and examine differences between macro and micro development economics, economics of growth and structural change, the role of industrial policy, open economy macroeconomics (including trade, finance and exchange rates), globalization in trade and finance, institutions and development policies, and North vs. South in development.

2. Work Requirements and Grading

• Class participation. Students are expected to come to each class after having read the assigned readings, and to participate in classroom discussions. (20%).

• Oral/slideshow presentations & leading class discussions on assigned readings. The number of presentations each student makes will depend on enrollments, but each student should expect at least 2 presentations during the semester and we should have about 2 student presentations each week. Evidence of not having done the readings or not being prepared for discussions of articles presented by others will result in deductions from your grade. (20%).

  ○ Discussant role: Serve as discussant on another student’s research paper and presentation and write 2-3 pages of critical but constructive comments, focusing on substantive arguments and evidence. Present these comments for 5 minutes.

• Research paper including various preliminary submissions and presentations to the class at appropriate stages (e.g., topic, data, hypotheses, results). (30%).

• Take-home final exam, due December 10. You will be given one week to complete. (30%).

3. Research Paper

On a topic related to the course you will write a 7,000-9,000 word research paper that is due in class on November 26, or earlier. The research paper is on a topic of your choice with a well-focused question. You must make a clear argument and defend your claims rigorously and systematically with theoretical and empirical evidence. Here you have two options: a) You can use this as an opportunity to work further on your dissertation (as long as it is on economic development), b) You can choose a topic that is of interest to you and may possibly help you develop your dissertation ideas. The topic for the paper must be approved in advance and a 1-2 page proposal is due on September 10.

  ○ Research presentation. Present your research paper’s argument, evidence, and implications in a 20-minute “conference-style” talk. Respond to questions.
4. Major references
All required and optional readings are available on Canvas.


Suggested follow-up readings


5. Academic Ethics

Cheating on assignments and exams, or plagiarizing is penalized by the University of Oklahoma. A student found in such a situation will be given an F and be brought to University of Oklahoma Honor Council for further penalties as defined under Academic Misconduct. For further information, refer to [http://www.ou.edu/honorcouncil/index.html](http://www.ou.edu/honorcouncil/index.html)

6. Students with Disabilities

Any student who feels he or she may need an accommodation based on the impact of a disability should contact me privately as soon as possible to discuss his or her specific needs. For details refer to [http://drc.ou.edu/](http://drc.ou.edu/)

7. Religious Holidays

“It is the policy of the University to excuse the absences of students that result from religious observances.”

8. Grading Scale

<table>
<thead>
<tr>
<th>Score Range</th>
<th>Grade</th>
<th>Score Range</th>
<th>Grade</th>
<th>Score Range</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>90-100</td>
<td>A</td>
<td>60-69</td>
<td>D</td>
<td>80-89</td>
<td>B</td>
</tr>
<tr>
<td>70-79</td>
<td>C</td>
<td>&lt;60</td>
<td>D</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I reserve the right to adjust this schedule of grade equivalents in the student’s favor.
9. Tentative Schedule and Reading List (* refers to optional readings)

1. Introduction to development economics

Week 1:
- Ros, J. (2016). Introduction & Ch. 1

Week 2.1:

2. Neoclassical growth

Week 2.2 & 3.1:
- Ros, J. (2016). Ch. 2 (sections 1, 2), Ch. 3 (section 4), Ch 4 (section 1)

3. Endogenous growth

Week 3.2 & 4.1
- Ros, J. (2016). Ch. 2 (sections 3, 4), Ch. 3 (section 4)
4. Classical development theory: The Lewis model and the labor surplus economy  
   Week 4.2:  
   • Ros, J. (2016). Ch.6  
   • *Little, I. (1982). Economic Development: Theory, Policy and International Relations*, Ch. 6  
   • *Nurkse, R. (1953). Population and capital supply, Ch. 2 in *Problems of Capital Formation in Underdeveloped Countries*.  

5. Increasing returns, external economies and multiple equilibria  
   Week 5.1:  
   • Ros, J. (2016). Ch.7  
   • *Nurkse, R. (1953). The size of the market and the inducement to invest, Ch. 1. In Problems of Capital Formation in Underdeveloped Countries*.  

6. Industrialization, industrial policy and the logic of developmental state  
   Week 5.2:  
   • Harrison, A. and A. Rodríguez-Clare (2010). Trade, Foreign Investment, and Industrial Policy for Developing Countries.” In: Rodrik and Rosenzweig, pp. 4043-4070 (Chapter 63), Parts 2-3.  
   • Chang, H-J. (2002). Kicking Away the Ladder, Ch.2, pp.13-68.  

   Week 6.1:  
   • Dahi and Demir, Ch.5  

5

**Week 6.2:**

### 7. Open economy and development

**Week 7.1:**
- Ros, J. (2016). Ch.14

**Week 7.2:**


8. Exchange rates and development

• Agenor and Montiel, Ch. 9, 10.

Week 8.2:


9. Capital flows, financial crisis and economic development

• Agenor and Montiel, ch. 14.


10. North-South exchanges and uneven development
    Week 10:
• Dahi and Demir, Chs.1, 2, 3.

11. Institutions and development
    Week 11:
• Ros, J. (2016), Ch. 17

    Week 12:
• Chang, H-J. (2010). Hamlet without the Prince of Denmark: How development has disappeared from today’s ‘development’ discourse. In S. Khan & J. Christiansen (Eds.), Towards New Developmentalism: Market as Means rather than Master
• *Chang, Bad Samaritans, Ch. 9. pp. 167-188.

12. Geography, colonialism and economic development
    Week 13:
• Ros, J. (2016). Ch. 18.

13. Natural resources and development

Week 14:
• Ros, J. (2016). Ch. 15.

14. Income distribution, poverty and inequality

Week 15:
• Ros, J. (2016). Ch. 16.
### Tentative Schedule

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20-Aug</td>
<td>Introduction</td>
</tr>
<tr>
<td></td>
<td>22-Aug</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>27-Aug</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>29-Aug</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>3-Sep</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>5-Sep</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>10-Sep</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>12-Sep</td>
<td>Guest lecture</td>
</tr>
<tr>
<td>5</td>
<td>17-Sep</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>19-Sep</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>24-Sep</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>26-Sep</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>1-Oct</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>3-Oct</td>
<td>6</td>
</tr>
<tr>
<td>8</td>
<td>8-Oct</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>10-Oct</td>
<td>7</td>
</tr>
<tr>
<td>9</td>
<td>15-Oct</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>17-Oct</td>
<td>8</td>
</tr>
<tr>
<td>10</td>
<td>22-Oct</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>24-Oct</td>
<td>9</td>
</tr>
<tr>
<td>11</td>
<td>29-Oct</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>31-Oct</td>
<td>10</td>
</tr>
<tr>
<td>12</td>
<td>5-Nov</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>7-Nov</td>
<td>11</td>
</tr>
<tr>
<td>13</td>
<td>12-Nov</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>14-Nov</td>
<td>12</td>
</tr>
<tr>
<td>14</td>
<td>19-Nov</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>21-Nov</td>
<td>14</td>
</tr>
<tr>
<td>15</td>
<td>26-Nov</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>28-Nov</td>
<td>Thanksgiving</td>
</tr>
<tr>
<td>16</td>
<td>3-Dec</td>
<td>Presentations</td>
</tr>
<tr>
<td></td>
<td>5-Dec</td>
<td>Presentations</td>
</tr>
</tbody>
</table>