

# **Development Economics**

**Course manual**

**Code SSC2043, period 5**

**University College Maastricht**

**Maastricht University**

**Academic Year: 2017/2018**

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# 1. INTRODUCTION

*“By the problem of economic development I mean simply the problem of accounting for the observed pattern, across countries and across time, in levels and rates of growth of per capita income. This may seem too narrow a definition, and perhaps it is, but thinking about income patterns will necessarily involve us in thinking about other aspects of society too, so I would suggest that we withhold judgment on the scope of this definition until we have a clearer idea of where it leads us.”*

Robert E. Lucas (1988), ‘On the Mechanics of Economic Development,’ *Journal of Monetary Economics*, 22(1).

## 1.1 Course Objectives

The aim of this course is to provide students with an overview of major issues in economic development, and the economic theories and policies used to address these issues. It focuses on developing the thinking and skills needed to analyze economic problems. By the end of the course, participants should be able to analyze interesting and relevant problems in economic development in a rigorous and critical way, using economic theories, data, and policy instruments.

## 1.2 Course Description

Long-run economic growth and development as well as international economic relations of developing countries are the broad topics of this course.<sup>1</sup> The *long-run growth* part introduces classical and more recent economic models that explain cross-country income differences. It is followed by within-country analyses of poverty and inequality, and expands on issues such as urbanization and internal migration, education and health, environment, and how all of these issues are affected by institutions and politics. The *international relations* part relates growth and economic development to international trade and finances, including foreign aid.

## 1.3 Prerequisites (From UCM course catalogue)

SSC1027 Principles of Economics. Knowledge of basic quantitative concepts, such as basic calculus, is also necessary.

## 1.4 Literature

The textbook used for this course is the following:

Todaro, Michael P. and Stephen C. Smith (2014), *Economic Development*, 12<sup>th</sup> ed., Pearson.

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<sup>1</sup> We avoid overlap with other UCM courses such as Principles in Economics, International macroeconomics, Globalization and Inequality, Development and Poverty, Public Finance.

In addition to the textbook, occasional short articles and other material, available through the UM library, will be handed out throughout the course. This will be communicated both during preceding tutorials and on the Student Portal.

## 2. ORGANIZATION

The course contains three elements: lectures, tutorial group meetings, and a country project.

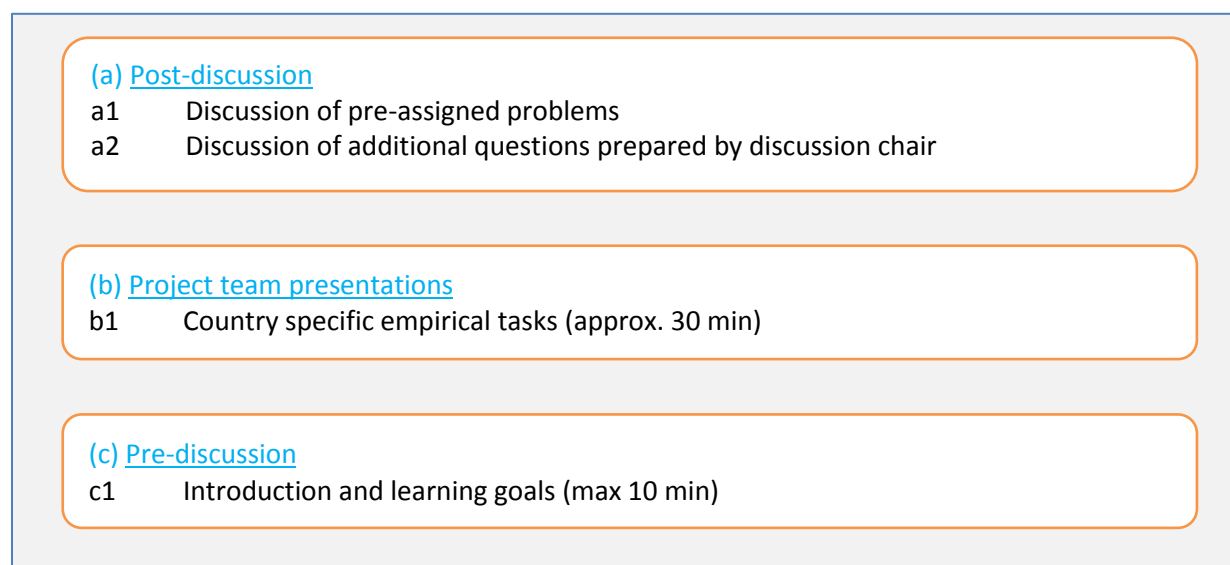
### 2.1 Lectures

The course features two lectures. In the opening lecture students are introduced to the central questions and various areas of studying economic development. It gives a broad overview of the topics that will be addressed throughout the course and presents material to support their relevance. The closing lecture at the end of the course period wraps-up the main insights revealed from the analyses conducted throughout the course.

### 2.2 The tutorial group meetings

There are 11 tutorial group meetings. Each meeting (unless otherwise indicated) contains three elements: (a) discussion of the relevant textbook chapter in the context of pre-assigned problems; (b) presentations of empirical tasks related to the country project; (c) introduction and learning goals of the upcoming tutorial meeting. Figure 1 illustrates an outline of the workflow for a stylized tutorial meeting.

**Figure 1: Workflow tutorial meetings**



A chairperson will be assigned for each meeting; each student will chair one meeting. This chairperson is in charge of guiding the group through parts (a) and (b). The tutor is in charge of part (c).

The pre-assigned questions (a1), and the questions associated with the country study (b1), will be posted by the course coordinator at the latest by the preceding tutorial. Besides this, the discussion chair should propose at least 3 additional questions (a2). They do not need to be posted before the tutorial meeting.

## 2.3 Country project

The aim of the country project is to make students familiar with (how to work with) data, and how to connect data and empirical research to the topics in the textbook. Teams of 3 to 4 students will study one country in detail. In each tutorial group, there will be three teams focusing on one country each. The teams are expected to give short updates/reports on specified empirical tasks in each tutorial group meeting (b1). The duration is only 10 minutes per group, including a short discussion. At the end of the course, each team summarizes its results in a 5-10 page report. The report should include a short introductory section, and a conclusion. More detailed instructions will be provided in a separate project manual.

## 2.4 Course overview

Table 1 presents a preliminary overview of the course, detailing its textbook coverage and the broad topic of each session. Note that this overview may be subject to changes.

**Table 1:** Course schedule (preliminary; may be subject to changes)

<i>Week</i>	<i>Dates</i>	<i>Events</i>	<i>Prepare before</i>	<i>Topic</i>	<i>Project</i>
1	09 Apr - 13 Apr	Lecture 1: Introduction to economic development			
		1. Meeting	Chapters 1+2	Measurement	Groups
		2. Meeting	Chapter 3	Classical theories	Present empirical tasks Write team report
2	16 Apr - 20 Apr	3. Meeting	Chapter 4	Modern theories	
		4. Meeting	Chapter 5	Inequality	
3	23 Apr - 26 Apr	5. Meeting	Chapter 7	Urbanization	
4	30 Apr - 04 May	6. Meeting	Chapter 8	Education/health	
		7. Meeting	Chapter 10	Environment	
5	07 May - 09 May	8. Meeting	Chapter 11	State/Institutions	
6	14 May - 18 May	9. Meeting	Chapter 12	International trade	
		10. Meeting	Chapter 13+14	Int. finance/aid	
7	22 May - 25 May	11. Meeting	Submit report		
		Lecture 2: Closing lecture			

## 3. ASSESSMENT AND EVALUATION

### 3.1 Examination and attendance requirement

#### 3.1.1 Final course grade

The final course grade is based on three components:

- (i) General participation during the group meetings (10%)
- (ii) Country tasks and final report (30%)
- (iii) Written exam (60%)

#### 3.1.2 Attendance requirements

You may not miss more than 2 meetings. Students who have not met the attendance requirement, but who have not missed more than 3 group meetings, will be given a provisional overall grade, but will not receive credits for the course until they have successfully completed the additional assignment. To qualify for an additional assignment a student may not have missed more than 30% of the group meetings and must submit a completed request form 'additional assignment because of insufficient attendance' to the Office of Student Affairs, within 10 working days after completion of the course. Not fulfilling the rules for attendance and assignment will result in a 'fail' for the course.

### 3.2 General participation grade

The participation grade is based on the discussion leadership (including the preparation of additional questions) and general contributions to group meetings. The tutor determines this grade after the last group meeting.

#### 3.2.1 Discussion leadership and additional questions

The discussion chairing will be evaluated based on how well the group was steered in such a way that learning was facilitated. Additional questions will be evaluated based on how they fit into the context of the course in general and into the topic of the day in particular.

#### 3.2.2 Other contributions to group meetings

This consists of being present and in time, asking questions, discussing problems, giving answers and everything that helps the group function better. Asking questions is an essential part of the learning process and is highly encouraged.

#### 3.2.3 Additional assignment (in case of more than 2 absences)

If you have missed more than 2 meetings you have to write a 1-page summary of each chapter belonging to the meetings where you missed the discussion. The tutor takes this into account

in the participation grade. You have to deliver this summary as an email attachment to your tutor within 48 hours after the exam.

### **3.3 Country project: empirical tasks and final report**

The empirical tasks are solved within the project team and serve as preparation for the team report. Both the presentations and the team report result in a team-specific grade (*i.e.*, each team member obtains the same grade for the project, which then counts 30% of each student's final grade). The team report accounts for 50% of the project grade (*i.e.* 15% of each student's final grade).

#### *3.3.1 Presentations during tutorial group meetings:*

Before each tutorial group meeting, project teams work on pre-assigned empirical tasks that are presented during the meeting. One team member presents the key findings/patterns in not more than 5 minutes. To ensure that every student is actively involved throughout the duration of the course, team members are expected to rotate in presenting their findings. In a short follow-up discussion, the entire group evaluates the differences and commonalities between the countries under study, and finds explanations for it. Presentations are evaluated based on their quality and completeness.

#### *3.3.2 Final report*

A final report (one for each group) has to be sent to the tutor before the last meeting. The assessment is based on the quality and clarity of writing, and on the appropriate application of knowledge acquired in this course.<sup>2</sup> Not handing in the report in time will result in a lower grade. Further details are provided in the project-manual.

### **3.4 Written exam**

The written exam is a closed-book test with open questions (no multiple choice). The time available for the exam is 2 hours. The emphasis will be on a broad understanding of the material covered in the textbook and pre-assigned problems.

## **4. COURSE COORDINATION**

Coordinator: Karsten Mau ([k.mau@maastrichtuniversity.nl](mailto:k.mau@maastrichtuniversity.nl))

Tutors: tba

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<sup>2</sup> Quality also includes compliance to scientific standards. In particular, the correct use and citing of literature and data sources.