**Econ 224, GHL 224, PPE 264 Economic and Political Development**  **Fall 2020**

MWF 3:20–4:10

Baxter 101

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I believe that the most important economic problem in the world today is figuring out how to help the world’s poor. Unfortunately it turns out that solving this problem is very difficult. If it were easy, it would have been done already. This class will explore economic and political issues related to the world’s poorer countries. What obstacles keep them poor, and how can these obstacles be overcome? In trying to answer these questions we will learn that economics, politics, and ethics are intertwined and cannot be separated.

**Course Goals**

1. Understand the problems faced by developing countries.

2. Articulate an ethical response to those problems.

3. Become familiar with current debates on how to solve these problems, and evaluate the various policies suggested.

4. Collect and analyze data to support your claims.

**Safety**

I am happy to be here in person and don't want to be sent home. Let's all work together to make this a good semester!

Masks are required in class. To maintain safe distances, sit in marked seats and enter and exit through the doors as marked.

Do not come to class if you are ill. Use the symptom monitoring app, and do what it says. This is especially important if you experience any of the CDC described symptoms for COVID-19—such as fever, cough, shortness of breath, diarrhea, and/or the loss of taste or smell. You should contact Health Services immediately and then inform me. Students are expected to follow the Gentlemen’s Rule.

**Absences**

Students are expected to come to class if it is safe to do so, but it is possible that we may have more absences than usual this semester. It is important that you *communicate* your situation with me so that we can work together to find the optimal solution. If you need to be in quarantine or isolation, remember to take you books with you.

Students who are in quarantine but not ill may attend class via Zoom. Contact me at least two hours before class so that I can set up a Zoom meeting. If you join via Zoom and participate in the class discussion then you count as present for the class.

If you cannot join the class because you are ill, or for any other reason, then you are absent. To ensure that learning continues, I will ask you to turn in a written assignment on the day's material, either a reflection on the reading or answers to a set of questions. If you do not turn in the make-up assignment you will get zero points for the day.

**Office Hours**

Connecting with faculty outside of class is an important part of your Wabash education. Don't miss out! You are welcome to use office hours to discuss the course material, or anything else on your mind. I will generally be in every morning 10-12 am and Tuesdays 1-4 pm. (If I have a meeting scheduled then I will post an update). You are welcome to come to my office, call me on the phone, or schedule a Zoom conference.

**Assignments**

*Daily Grades*: You will receive a grade for each class period. These grades include quizzes on the readings, participation in discussion, and any homework assignments. If you are absent, you will be given a makeup assignment for that day's grade.

*Readings*: You are expected to do the assigned reading and come to class ready to discuss it. To encourage you to do the reading there will be quizzes on Canvas due before class. I will also distribute discussion questions for you to think about while reading the text.

*Geography Quiz*: To improve your knowledge of the developing world, I will quiz you on the location of countries.

*Ethics Essay*: I will ask you to articulate your own ethical position on our responsibility to the developing world in an essay of 750 to 1500 words.

*Exams*: You will have two midterm exams and one final exam.

*Paper and Presentation on a Country*: You will choose a developing country and diagnose its situation. You will share your diagnosis both in a 10-minute presentation to the class, and in a paper of 2000 to 3000 words. Your research will include data collection, and your project will include two graphs that you created yourself.

**Grading**

Daily Grades 20%

Two Exams 15% each

Final 20%

Paper and Presentation 20%

Ethics Essay 5%

Geography Quiz 5%

**Academic Credit**

This course complied with the Wabash College Academic Credit Policy. In addition to regular class meetings, direct faculty instruction takes place in this course through faculty office hours, advising for papers, and required attendance at lectures by outside speakers.

**Academic Honesty**

Your work must be your own and original for this class and its assignments. You may not share answers with other students on the Canvas quizzes. In written work cite your sources. All direct quotations should be in quotation marks and should have a citation including the page number. Should circumstances require you to attend class virtually, specific instructions on what constitutes academic dishonesty will be given for each assignment. See http://www.wabash.edu/news/docs/AcademicHonestyGuide.pdf.

**Disabilities**

Students with disabilities (apparent or invisible) are invited to confidentially discuss their situation with the disability coordinator, Heather Thrush, Associate Dean for Student Engagement and Success. If a student wishes to receive an academic accommodation, it is required that his documentation of the disability be on file with Dean Thrush, who can, in confidence, provide information and guidance. Early notification helps us all work together in the most effective ways.

**Zoom**

While I intend this class to be in person, we might end up using Zoom if members of the class are quarantined or if in-person instruction is suspended. If we use Zoom

• Turn your camera on so we can see you.

• To reduce background noise and feedback, mute yourself when you are not talking. Unmute whenever you want to participate in the conversation.

• Our class needs to be a safe place for people to try out ideas. Any recordings of the class are for class members *only* and should not be shared outside of the students enrolled in this class.

**Books**

Jeffrey Sachs, *The End of Poverty: Economic Possibilities of Our Time,* New York, Penguin Press, 2005

William Easterly, *The Elusive Quest for Growth: Economists’ Adventures and Misadventures in the Tropics*, MIT Press, 2001

Abhijit Banerjee and Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, New York: Public Affairs, 2011

Other readings will be available on Canvas.

**Outline**

A. What is development?

What are the goals of development? How do we measure it? Do I have an ethical duty to others?

Amartya Sen, *Development as Freedom*, Oxford Univ. Press, 1999, pp. 13-41.

Martha Nussbaum, *Creating Capabilities: The Human Development Approach*, Belknap Press, 2011, pp. 32–40, 46–68

Jan Narveson "Morality and Starvation" in William Aiken and Hugh La Follette, *World Hunger and Moral Obligation*, Prentice-Hall, 1977, pp. 49-65.

B. Is worldwide inequality getting better or worse over time?

Lant Pritchett, "Divergence, Big Time" *Journal of Economic Perspectives,* 1997

Xavier Sala-i-Martin, "The World Distribution of Income: Falling Poverty and ,. . . Convergence, Period" *Quarterly Journal of Economics*, May 2006

C. Diagnosing the Problem

What causes poverty? What obstacles do developing countries face?

*a. Overview*

Jeffrey Sachs, *The End of Poverty*, Ch. 1, 3–4

*b. Famine*

Amartya Sen, Poverty and Famines, Clarendon Press, 1981, Ch. 1 & 7

*c. Health*

Jeffrey Sachs, *The End of Poverty*, Ch. 10

*d. Population*

*e. Inflation*

Jeffrey Sachs, *The End of Poverty*, Ch. 5

*d. Trade*

World Bank, *World Development Report 1987*, Oxford Univ. Press, Ch. 5 “Trade Policy and Industrialization”

*e. Institutions*

Daron Acemoglu and James Robinson, *Why Nations Fail*, Crown Business, 2012, Ch. 11-12

*f. Corruption*

Marianne Bertrand, Simeon Djankov, Rema Hanna, and Sandhil Mullainathan, “Obtaining a Driver’s License in India: An Experimental Approach to Studying Corruption,” *Quarterly Journal of Economics*, Nov. 2007, 122:1639-1676

D. Finding a Cure

What can we do about it? What is the best way to reduce poverty?

*a. Past Mistakes*

Susan George and Fabrizzio Sabelli, *Faith and Credit: The World Bank’s Secular Empire*, Westview Press, 1994, Ch. 1–4, 7

Joseph Stiglitz, *Globalization and Its Discontents,* Allen Lane, 2002, Ch. 2, 4

*b. Current proposals*

Jeffrey Sachs, *The End of Poverty*, Ch. 13–17

William Easterly, *The Elusive Quest for Growth*

William Easterly, “The Big Push: A Review of Jeffrey Sachs’s *The End of Poverty*” *Journal of Economic Literature*, 2006, 44:96–105.

Abhijit Banerjee and Esther Duflo, *Poor Economics*

**Schedule**

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Tasks | Topic | Reading |
| Aug. 12 |  | Introduction |  |
| 14 |  | Goals | Sen, *Development as Freedom*, pp. 13–41 |
| 17 |  | Goals | Nussbaum, *Creating Capabilities,* pp. 32–40, 46-62 |
| 19 |  | Ethics | Narveson "Morality and Starvation" |
| 21 | Deliberation | Ethics |  |
| 24 | Ethics Essay | Measures |  |
| 26 | Geography Quiz | Measures |  |
| 28 | Data Homework | Convergence |  |
| 31 |  | Convergence | Pritchett, “Divergence, Big Time"  Sali-I-Martin, "The World Distribution of Income" |
| Sept. 2 |  | Diagnosis | Sachs*, End of Poverty*, Ch.1, 3, 4 |
| 4 |  | Famine | Sen, Poverty and Famine, Ch. 1 & 7 |
| 7 |  | Health | Sachs, *End of Poverty*, Ch. 10 |
| 9 |  | Population |  |
| 11 |  | Inflation |  |
| 14 |  | Inflation | Sachs*, End of Poverty*, Ch.5 |
| 16 | Test One |  |  |
| 18 |  | Trade |  |
| 21 |  | Trade | *World Development Report 1987*, Ch. 5 |
| 23 |  | Institutions | Acemoglu and Robinson, *Why Nations Fail*, Ch. 11 |
| 25 |  | Institutions | Acemoglu and Robinson, *Why Nations Fail*, Ch. 12 |
| 28 |  | Corruption | Bertrand, Djankov, Hanna, and Mullainathan, "Obtaining a Driver's License in India" |
| 30 | Presentations |  |  |
| Oct. 2 | Presentations |  |  |
| 5 | Presentations |  |  |
| 7 | Presentations |  |  |
| 9 | Paper Due | Policy Failures |  |
| 12 |  | World Bank | George and Sabelli*, Faith and Credit,* Ch.1–3 |
| 14 |  | World Bank | George and Sabelli*, Faith and Credit,* Ch. 4, 7 |
| 16 |  | IMF | Stiglitz, *Globalization and its Discontents,* Ch. 2, 4 |
| 19 |  | Sachs’ Solution | Sachs*, End of Poverty*, Ch.13–15 |
| 21 |  | Sachs’ Solution | Sachs*, End of Poverty*, Ch.16–17 |
| 23 | Test Two |  |  |
| 26 |  | Easterly's Diagnosis | Easterly, *The Elusive Quest*, Ch. 2–3 |
| 28 |  | Education & Population | Easterly, *The Elusive Quest,* Ch. 4–5 |
| 30 |  | Debt Relief | Easterly, *The Elusive Quest,* Ch. 6–7 |
| Nov. 2 |  | Easterly's Diagnosis | Easterly, *The Elusive Quest*  Ch. 8–10 |
| 4 |  | Easterly's Diagnosis | Easterly, *The Elusive Quest* Ch. 11–13 |
| 6 |  | Sachs vs. Easterly | Easterly, “The Big Push” |
| 9 |  | Poverty Action Lab | Banerjee and Duflo, *Poor Economics,* Ch. 1–2 |
| 11 |  | Poverty Action Lab | Banerjee and Duflo, *Poor Economics,* Ch. 3–4 |
| 13 |  | Poverty Action Lab | Banerjee and Duflo, *Poor Economics,* Ch. 5, 7 |
| 16 |  | Banerjee and Duflo vs. Sachs vs. Easterly | Banerjee and Duflo, *Poor Economics,* Ch. 10 + Conclusion |
| Nov. 23  6:00 pm | Final Exam | | |