

Economics 116: Economic Development

Prof. Tim Kane

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Office hours: Tues / Thurs 11:00-12:00 & by appointment

University of California San Diego

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Tuesdays and Thursdays 9:30-10:50

Room 1128A HSS

Course Description:

Development Economics turns to East and South Asia for its best examples of success and failure. Japan and the "Asian Tigers" were role models of rags-to-riches growth in the last five decades, only to have recently become cautionary tales of financial collapse. India and China are in the midst of transitions away from socialism and with their large populations, are the key drivers in reductions in global poverty. This course will survey countries and economic theories of development, and focus on the promise and peril of globalization in Asia.

Grading:

Requirements include two (2) exams, one (1) paper, one (1) group project, and a final exam. The midterm exams focus on specific sections of the course, while the final is cumulative (covers all of the material in the course). The problem sets require careful thought in applying material from lecture and the text. Papers and problem sets may be turned in late (at a penalty of -10% per day), and must be turned in to pass the course. Grades are determined as follows:

• Midterm Exam	200 pts (20%)
• Final Exam	400 pts
• Writing Assignment	200 pts
• Problem Sets	100 pts
• Class Participation	100 pts
• TOTAL	1000 pts

Writing Assignment

Each student will write one short paper, roughly 1000 words long. This semester, the topic for the class is the Asian financial crisis of 1998-present. Your challenge is to take an affirmative or negative position on the following resolution, and to present a strong case with evidence to back up your position. RESOLVED: The fragility of Asian economies based on the IMF-World Bank development system of capitalism creates instability that is harmful to participating nations, requiring changes to the system. Note: you can build your case around a variety of issues such as income inequality, growth-based pollution, capital controls, fiscal and monetary discipline for example ... but do NOT need to address all topics. The key to a good position paper is focus. The key to a great paper is wit.

Text and other reading:

The structure of the course follows *Leading Issues in Economic Development* by Gerald Meier and UCSD professor James Rauch. Other readings may be used & will be placed on reserve.

Economics 116: COURSE SCHEDULE

Tuesday, Oct 1	I. Introduction 1-4*
Thursday, Oct 3	Measuring Development 5-12*, 13-20, 21-29*, 30-34
Tuesday, Oct 8	Economic performance of less developed countries: The recent past 35-68*
Thursday, Oct 10	II. Historical Perspective 77-118*
Tuesday, Oct 15	
Thursday, Oct 17	III. Savings and Investment 119-128*, 141-146, 147-154*; also Appendix 561-566
Tuesday, Oct 22	
Thursday, Oct 24	Review Session
Tuesday, Oct 29	MID-TERM EXAM
Thursday, Oct 31	IV. International Trade and Technology Transfer 155-158*
Tuesday, Nov 5	Trade 159-190*, 191-194, 195-203*
Thursday, Nov 7	Foreign Contact and Technology Transfer 204-205*, 206-210, 211-212*
Tuesday, Nov 12	V. Human Resources 213-215*
	Education 216-228*, 229-240
	Population 241*, 242-248
	Gender and Development 263-270*, 283-284*, 285-288
Thursday, Nov 14	VI. Migration and the Urban Informal Sector 289-311*, 318-327
Tuesday, Nov 19	VII. Agriculture 329-331*
Thursday, Nov 21	VIII. Income Distribution 375-381*
	The Impact of Development on Income Distribution 382-386, 387-400*
	The Impact of Income Distribution on Development 401-403, 404-408*
	Case Studies 409-420*
Tuesday, Nov 26	IX. Political Economy 421-425*
	The (Proper) Role of the State in Less Developed Countries 426-433
	Rent Seeking and Government Failure 434-441*, 446-470*
	State Capacity 471-475, 476-515*
Tuesday, Dec 3	X. Development and the Environment 517-530*, 531-534, 544-559
Thursday, Dec 5	Review Session