

Economics 151

Economic Development

Professor Louis Putterman

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Office Hours: M and W 2:30-3:20, and by appointment

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This course provides a broad-ranging introduction to the economic problems of less developed countries and to the field of development economics. Topics include the roles played by agriculture and industry; education, health, employment, and migration; capital accumulation; income distribution; trade policies; social discount rates and investment criteria; and the role of government. Prerequisite: economics 111 or 113.

Reading: we will read in its entirety Perkins, Radelet, Snodgrass, Gillis, and Roemer, *Economics of Development*, Fifth Edition (2000). The course outline follows the chapters of that book, including all except the last one.

It is important to note that lectures and class discussion will complement rather than substitute for the reading, sometimes providing alternative approaches. Therefore, both reading and attendance are strongly advised, and arrangements should be made to find out what was covered in class when attendance becomes impossible. Class notes and related material are available on line, but they are from a past year and are not regularly updated; they are found at <http://www.econ.brown.edu/faculty/putterman/courses/ec151/>

To preserve time for class discussion, some topics covered by the text and on-line notes will not be covered in lecture. They are still required. Feel free to ask questions about them.

Grades: there will be two in-class mid-term examinations and a three hour final examination as scheduled by the registrar. These will count for 25, 25, and 50% of the course grade, respectively. The format of the in-class exams will be primarily short answer, including multiple choice. The final exam will have a mix of short answer and essay questions. Attendance and participation will be taken into account especially on the borders between letter grades. Warning: Grading is by standards of the “pre-grade inflation” era. A’s are reserved for excellent work, and roughly equal numbers of A, B and C grades tend to be given, with NCs a real possibility for unsatisfactory work. Feel free to consider the S/NC grade option, understanding that its standard for passing is the same as that to earn a C under the ABC/NC option.

Exercises: to help you test your understanding of the material, the Study Guide to accompany to textbook should be purchased with it. Relevant questions and problems

will be suggested periodically. They need not be handed in, but they will be reviewed during the weekly review session led by the Teaching Assistant.

Tentative schedule: no class, Oct. 6; 1st exam, Oct. 8; 2nd exam, Nov. 5; final exam: as scheduled by registrar.

Syllabus:

1. Introduction
2. Economic Growth: Theory and Empirical Patterns
3. Structural Change
4. Development and Human Welfare
5. Guiding Development: Markets versus Controls
6. Sustainable Development
7. Population
8. Labor's Role
9. Education
10. Health and Nutrition
11. Capital and Saving
12. Fiscal Policy
13. Financial Policy
14. Private Foreign Capital Flows, Debt, and Financial Crises
15. Agriculture
16. Primary Exports
17. Industry
18. Trade and Development