

University of Toronto
Department of Economics
Eco 324Y: Economic Development
OUTLINE for Summer 2011 Academic Year
M. J. Hare [Larkin Room 336]
Office Hours: Monday, 12:30 to 1:30pm in Larkin 336

A. Course Description

This is a course in applied economic theory related to the economic growth of the developing countries in Asia, Africa and Latin American. The pre-requisites are Eco 200Y, Eco 202Y and Eco 220Y [or their equivalents]. A computer check will be used to verify pre-requisites.

This course will present an analysis of, at least, the following issues:

- 1. the economic goals for developing countries, including economic convergence and productivity issues;**
- 2. the issue of poverty [the Millennium Goals] and the four key contributions of Sachs, Easterly, Banerjee and Duflo and William Lewis;**
- 3. the economic significance of technological change and productivity growth to achieve higher standards of living and economic convergence;**
- 4. Rostow's grand theory of the Stages of Economic Growth: an explanation and a critique;**
- 5. strategies to achieve economic growth through the industrial sector priorities;**
- 6. strategies to achieve economic growth through strategies for the agricultural sector;**
- 7. strategies to achieve economic growth through public sector strategies including government fiscal policies. educational and environmental actions;**
- 8. strategies to achieve economic growth through international trade policies [free trade versus protectionism];**
- 9. an analysis of two international economic crises: the international debt crisis in Latin America and the Pacific Basin crisis in Thailand, Indonesia and South Korea;**
- 10. a further review of the issues of the two P's: poverty and productivity;**
- 11. contemporary issues related to economic development theories and strategies.**

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B. Compulsory Readings

There is no suitable text for this course. In lieu of a text, compulsory readings are contained in an Extract Package [one for each term] from Scholar House Publications [100 Harbord Street]. Sections are extracted from the two basic textbooks by Perkins and by Todaro. Scholar House is required to pay at least 10 cents as a royalty fee for each page extracted according to Canadian Government Copyright law, which would constitute at least half the price of the Extracts.

C. Allocation of Marks

1. First Term: 25%

Term Test 1 is tentatively scheduled for Wednesday June 22, 2011, [two hours in class time] on Topic 1 through Topic 6 in a room to be assigned.

2. Second Term: 25%

Term Test 2 is tentatively scheduled for Wednesday, July 27, 2011 [two hours in class time] on Topic 7 through Topic 10 in a room to be assigned.

3. Three Hour Final Exam [all course topics] 50%

NOTES

1. A separate detailed reading list for each term will be available: the compulsory readings are included in the Extracts [from Scholar House at 100 Harbord Street] for each term.
2. There will be a Web Site for information purposes only.
3. *The instructor does NOT respond to e-mail requests.*
4. Instructor office hours will be held each week: Monday, 12:30 to 1:30 in Larkin 336. Special aid centre hours by the teaching assistant will be available before each test.
5. Each test will contain three equally weighted sections. In each test, there will be one question which uses short essay answer questions with limited choice. There will be a compulsory question on each test. The remaining part will have limited choice. No multiple choice questions will be used during the term or on the final exam. Questions may be taken from key compulsory readings. The emphasis for the tests is on economic analysis – not description -- of the models, theories and strategies. Your *assessment, understanding and analysis* of the key issues and economic strategies is required. Cheating is a serious offence.
6. Make-up tests will be offered to students with acceptable health certificates, normally the Friday of the first week of classes after the test.

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Eco 324Y ECONOMIC DEVELOPMENT
Academic Year: Summer, 2011
M. J. Hare, Room 336, Larkin Building, Trinity College**

Topics First Term: Summer 2011

- 1.0 About Economic Development: Goals and Key Issues [May 16, 2011]**

- 2.0 The Issues of Poverty and Convergence [May 18 and 25]**

- 3.0 Economic Growth, Technological Change and Productivity Improvements: Applications to Low-Income Countries [May 30 and June 1]**

- 4.0 Rostow's Grand Theory of Economic Growth: Outline and Critique [June 6]**

- 5.0 Strategies for Economic Development: The Role of the Industrial Sector [June 8 and 13]**

- 6.0 Strategies for Economic Development: The Role of the Agricultural Sector [June 15 and 20]**

**SCHEDULED TEST ONE: Topic 1 to Topic 6
Wednesday, June 22, 2011
[Two hours: class time in a room to be determined]**

Topics: Summer Term 2011

- 7.0 Strategies for Economic Development: Fiscal Policy: Government Spending, Taxation, Inflation and the National Debt Problems July 4, 6 and 11, 2011]**
- 8.0 Strategies for Economic Development: The Role of Education [July 13]**
- 9.0 Strategies for Economic Development: The Environment, Sustainable Development and Water [July 18]**
- 10.0 Strategies for Economic Development: International Trade: Gains from Trade Versus Gains from Protectionism [July 20 and 25]**
- 11.0 International Economic Crisis I: The Latin American International Debt Crisis [August 3]**
- 12.0 International Economic Crisis II: The Pacific Basin Crisis [August 8]**
- 13.0 Contemporary Topics [August 10]**

**SCHEDULED TEST 2: Topic 7 to Topic 10
Wednesday, July 27, 2011: Two hours in class time
[Location to be cited]**