

Introduction

If one were to reflect for a moment on the most significant areas of concern that the field of economics addresses, economic development would rank at or near the very top of the list. A considerable percentage of the world's population today lives on less than \$2 a day. In high income market economies, a tremendous degree of inequality exists. In 2018, the richest 20 percent of Americans made 52 percent of all income and had an average income of \$233,895. The poorest 20 percent made just 3.1 percent of all income, with an average income of \$13,775—just 6 percent of the richest group. The average income of this poorest group is below the level found in some developing countries. Chicago well illustrates the gaps in American society. According to a NYU School of Medicine study, residents of Streeterville (60611), for example, live to 90, while just 9 miles away, residents of Englewood (60621) just 60. This course is consequently devoted to the study of economic development, with its primary focus on low- and middle-income countries, such as Turkey and India. We shall also consider some of the data and aspects of the economic development process and inequality in the U.S. In the course of trying to better understand life in developing countries we shall focus on describing some country-specific settings, theories of economic development as well as policies that seek to encourage the process of economic growth.

On the adjustments made for the Fall 2020 term

This semester will be a challenging one in a number of different ways. Every effort will be made to continue the high level of quality instruction DePaul University students deserve and rely on, while recognizing the challenges faced by students, instructors and staff. In terms of course material, students will be asked to follow along with the readings which are arranged in the outline below based on the sequence of topics we will consider in this course. Information from the instructor will be provided in different forms, including self-standing videos, video lectures and MS PowerPoint. Discussion topics will be posted on D2L for the introductory presentation regarding the class and for each individual topic area covered, e.g. measuring economic development, the neoliberal policy experiment in Chile under Pinochet, and so on.

A self-standing discussion topic devoted solely to their COVID-19 experience will be created for students to participate in. The discussions regarding COVID-19 will not be graded and will not count toward the final course grade. Please post responsibly in this arena, relying on verifiable authoritative sources. The volume of information regarding the coronavirus is daunting. Among the sources that one would expect to be unbiased, authoritative and consistently updated is the Coronavirus Resource Center found at the health.harvard.edu website. Never hesitate to ask a question or to contribute a positive response with respect to various and sundry topics. I have no medical training, but the following seem to be the best basic practices: 1) wear a face mask in public/cover your mouth when you cough or sneeze; 2) wash your hands; and 3) try to avoid touching your face.

Keep in mind that these changes will not be permanent and that life will return to a more normal one in the near future. The financial crash of 2008 was a devastating event, wiping away \$24 trillion in assets, \$24 trillion—an amount larger than the size of the entire income flow of that year! In the years that followed, however, the U.S. economy entered the longest economic expansion in our entire history. More recently, and not a little inexplicably, overall stock market values have eclipsed their pre-COVID level. Just as surely as recessions follow expansions, an expansion will follow the developing current economic downturn. We shall get past this episode by listening to reason and supporting one another. In this crowded hour, keep in mind the statement of President John F. Kennedy made in his 1961 inaugural address: ‘And so, my fellow Americans: ask not what your country can do for you — ask what you can do for your country’.

This course will be primarily asynchronous, but with a weekly synchronous Zoom session for all students to attend. This means that this class will not occur in real time, e.g. it will not occur on TTH 9-10:40. Students will be able to access materials at any time day or night within certain constraints. I shall be loading lecture material that corresponds to what would typically be covered in a standard week by midnight Sunday night of each week. This is the place to start each week since this is the lecture-type material to be digested/learning/studied for the coming week. We shall reserve the first half week of the term for set-up and then use a Sunday-Friday schedule for the individual weeks to follow.

All communications concerning individual private matters should be conducted via email directly with the instructor.

We shall begin the course with two tasks: (1) each student will post their location/time zone by 11:59.59 pm (CDT) on this Friday evening so that we can arrange a mutually satisfactory time for our weekly synchronous Zoom sessions—**do not provide** a specific address (the schedule for the synchronous Zoom session will be posted after this information is received during the coming weekend); (2) each student is required to choose one low income country (this list includes 29 countries but since we have more students than 29 in class include the following in that category: Benin; Kyrgyz Republic; Nepal; Tanzania; Lesotho; Zimbabwe; Myanmar; and Zambia) and one upper middle income country (of the 56) from the World Bank website (<https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>). Each student must pick a unique country from each part of the list and post their choice in the Discussion area set up for that purpose. **There can be no overlap**, i.e. each student will be associated for the balance of the term with a unique low income and a unique upper middle income country. Posts by students who fail to abide by this rule will lose credit in the discussion section of the course.

Testing

The majority of the grade will be determined by performance on two take-home exams, a midterm and a final. The midterm exam, given during the fifth week (October 12), will account for 30 percent of the final grade. The final exam (November 23) will account for 30 percent. One week prior to each exam, sample exam questions will be placed on D2L. Students will have 24 hours to complete each of these exams. Each exam will be placed on D2L at noon

on the Monday of the relevant week and due on Tuesday at noon. I shall be posting questions throughout the term as an ungraded organizing tool to assist with exam preparation.

Twenty percent of the grade will be determined by the student's performance in the debate section of the course. Details of the debate format will follow in a separate posting once the dust of the first 2-3 days of the term settles, but each student will be asked to develop a 2 PowerPoint slide presentation on a given issue to be included in a group presentation on that topic question. Students will be randomly assigned to groups focusing on the following topics: Resolution for alphabet group (A-D): Low and middle income countries should immediately incorporate the use of genetically-modified seeds in their agricultural production processes. Resolution for numerical group (1-4): Economic development goals, defined as increasing GDP, should take precedence over concerns with respect to inequality and the environment.

The remaining balance of the grade, 20% percent, will be made of scores on 5 discussion posts to be done over the course of the term. Each post will earn a maximum of four points (A = 4, B = 3, C = 2, D = 1 and F = 0), for a possible maximum of 20 points. Discussion posts should be in your own words—do not copy and paste from lecture PowerPoints or Word documents. A detailed three to four sentence posting will be sufficient to earn maximum points. An example of best practices will be supplied in the first posting. The deadline for loading discussion posts for each individual week is 11:59.59 pm (CDT) on Friday evening of each week. Both sets of material though will remain available throughout the week. Review the material at your own pace, but I would suggest imposing some type of schedule, e.g. reading/viewing material for the week on Monday-Wednesday at some regular time, then checking the discussion posts Wednesday-Friday again at some fairly standardized time.

As the average grade in a standard upper division class typically finishes at 75 percent or higher, the standard ten point grading scale will be relied upon in making final course grade decisions, i.e. 100-90 = A, 89-80 = B and so on. Borderline grade decisions at the end of the course will be based on exam improvement between the midterm and the final.

Outline

Lecture 1. Introduction to economic development:

1. How can we measure economic development
2. An alternative: the freedoms and unfreedoms of Amartya Sen
3. There is no such thing as a typical developing country

Readings:

- A. Hans Rosling on development:
www.ted.com/talks/hans_rosling_the_best_stats_you_ve_ever_seen
- B. www.pbs.org/pov/watch/goodfortune/video-goodfortune-classroom-clip-amartya-sen-on-development/
- C. granta.com/how-to-write-about-africa/ Binyavanga Wainaina
- D. www.ted.com/talks/elif_shafak_the_politics_of_fiction?language=en

Lecture 2. Mainstream theories of development

1. Harrod-Domar model
2. Lewis model
3. Kremer's O-ring

Readings:

- A. <https://www.youtube.com/watch?v=ZJMF7pFgMf0>
- B. <https://www.econlib.org/library/Enc/bios/Lewis.html>
- C. www.bbc.com/news/world-asia-india-50048519
- D. www.youtube.com/watch?v=CKkOmlW9bjg
- E. A.V. Banerjee and Duflo, E. (2007). "The Economic Lives of the Poor." *The Journal of Economic Perspectives*. 21 (1): 141–167.

Lecture 3. Snapshot 1: Chile. An application of neoliberal policy

Readings:

- A. slate.com/business/2016/01/in-chicago-boys-the-story-of-chilean-economists-who-studied-in-america-and-then-remade-their-country.html
- B. theguardian.com/commentisfree/2019/nov/13/why-is-inequality-booming-in-chile-blame-the-chicago-boys
- C. www.citylab.com/equity/2019/10/chile-protest-santiago-metro-public-transit-fare-inequality/600874/
- D. www.nytimes.com/2020/01/24/opinion/chile-protests.html
- E. "Chicago Boys" video. This video can be accessed by searching the DePaul Library website for 'Alexander Street' and then searching **all videos** for "Chicago Boys."

Lecture 4. A success story: Singapore

Readings:

- A. hbr.org/2015/02/how-singapore-became-an-entrepreneurial-hub

Lecture 5. On health and the 1918 & 2019 pandemics

Readings:

Given the rapidly evolving character of this topic readings shall be posted as we approach this topic on the calendar.

Lecture 6: Gandhian Socialism and Microfinance

Readings:

A. Kazuya Ishii. The Socioeconomic Thought of Mahatma Gandhi: Origin of Alternative Development. Sept. 2001. *Review of Social Economy*, 59 (3), 297-312.

B. Rajdeep Sengupta and Craig P. Aubuchon, The Microfinance Revolution: An Overview. *Federal Reserve Bank of St. Louis Review*. January/February 2008: pp. 9-30.

C. <https://www.zocalopublicsquare.org/2020/08/26/georgia-state-graduation-rate-higher-education/ideas/essay/>

Lecture 7: Islamic economic theory: Islamic finance

Readings:

A. Timur Kuran. "The genesis of Islamic economics: A chapter in the politics of Muslim identity." *Social Research* v64 n2 (Summer 1997) 301-338.

Lecture 8: Relations with high-income market economies

8.1 Foreign aid

Readings:

A. <https://www.brookings.edu/blog/unpacked/2017/04/07/myths-about-u-s-foreign-aid/>

B. <https://www.brookings.edu/blog/future-development/2017/05/08/once-more-into-the-breach-does-foreign-aid-work/>

C. C. Graham. "Foreign Aid." *The Brookings Review*. Vol. 15 (Spring, 1997) pp. 19-20.

D. Abhijit Banerjee: "Making Aid Work," *Boston Review*, July 2006.

E. www.ted.com/talks/andrew_mwenda_aid_for_africa_no_thanks#t-133636

Interview: Skype session with Mr. Dennis Sheehan, former Peace Corps volunteer and staff member for Kenya and Mozambique of DAI.

8.2 International relationships and institutions.

8.2.1 The WTO goes bananas

Readings:

A. Anthony Payne. "After Bananas: The IMF and the Politics of Stabilization and Diversification in Dominica." *Bulletin of Latin American Research*. V.27 n.3 (July 2008) pp. 317-332.

B. world101.cfr.org/global-era-issues/trade

8.2.2 Colonization and its aftermath: Burma and her sins and the problem of inequality

Readings:

A. Ian Brown. "Tracing Burma's Economic Failure to Its Colonial Inheritance." *Business History Review* v.85 n.4 (Winter 2011) pp. 725-747.