

Agec 340: International Economic Development Course Syllabus and Assignments – Spring 2009

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Class Meetings: TTh 9:00-10:15 in Wetherill 172.

Course Website: www.agecon.purdue.edu/academic/agec340

(The online version of this syllabus contains live links to all websites mentioned below.)

Office Hours: TTh noon-1:00, or call/e-mail to arrange other times

Instructor Website: www.agecon.purdue.edu/staff/masters

Course Description: This course provides an overview of economic development around the world. We use the general principles of economics to analyze how societies change over time and differ across regions, from the poorest countries in Africa, South Asia and Central America to the wealthiest in Europe, North America, East Asia and the Pacific. Our key objective is to prepare students for careers in business or the public sector, through greater familiarity with the causes and consequences of economic growth, globalization and development.

Content and Prerequisites: We use plain English, high-school geometry and common-sense logic. The only prerequisite is a first course in the principles of economics, such as [AGEC 217](#), or [ECON 210](#) or [251](#) or [252](#), to gain familiarity with the terminology, but really all you need to do well in this course is to take notes in class on the pre-printed slides, do assignments carefully and review these thoughtfully before the midterm and final exams.

Course Materials: The required text is a packet of course slides, on which to take notes in class. These cost only \$8.45, and are 3-hole punched so you can bring only that week's slides if you prefer to travel light. The packet is available for purchase from [Boiler Copy](#) in Room 157 of the Purdue Memorial Union. If you [preorder online](#), you can prepay by credit card and pick up the packet more quickly at the Union or at the Boiler Copy location in Wiley Hall.

The optional text if you would like clarification is *The Economics of Agricultural Development*, by George W. Norton, Jeffrey Alwang and William A. Masters (Routledge, 2006). You can buy it from the [University Bookstore](#), or from many [online booksellers](#) (new or used), or read it from the [reserve shelf at the Management and Economics Library](#) (2nd floor of Krannert). A revised second edition will appear in March. Note that this text focuses on agriculture, while class discussion will cover both agricultural and nonagricultural topics.

Ground rules: This course is governed by all of the University's regulations, including particularly the [Student Conduct Code](#). I am especially vigilant in enforcing University policies on [academic integrity](#). Assignments in this course are all designed to limit the temptation for anyone to copy answers instead of doing their own work, and they make it easy for me to detect cheating. Violations will be punished with a failing grade (F) for the course and will be reported to the [Dean of Students](#) via [this form](#).

Disabilities: I would be happy to accommodate students with documented disabilities. If you have a disability that requires special academic accommodation, please make an appointment to speak with me within the first three weeks of the semester in order to discuss any adjustments. It is important that we talk about this at the beginning of the semester. Please note that university policy requires all students with disabilities to be registered with the [Disabilities Resource Center](#) (phone 494-1247) before classroom accommodations can be provided.

Late assignments: If you cannot be in class to take a quiz or exam or to submit an exercise on time, please notify me *in advance* by email (wmasters@purdue.edu) or phone (494-4235) to ask if that assignment can be rescheduled. If you contact me ahead of time, I will do my best to accommodate all school-related travel, health emergencies, and other legitimate requests. All other late assignments will receive a score of zero. Please avoid embarrassment, and send email or call as soon as you know there will be a problem.

Class attendance: This course is based on a set of slides which require active note-taking to complete. The easiest way to prepare for quizzes and exams is to take note carefully on your class slides, and later summarize them in your own words in a separate notebook.

In case of illness: Active note-taking is essential to success in this course. To ensure that everyone has access to the lectures despite the flu, accidents or other reasons for an extended absence, all classes will be recorded and archived for playback via iTunes, through [BoilerCast](#).

Emergency notification: Course requirements, deadlines and grading percentages may need to be revised in the event of a campus emergency. I will post any such notifications on the class web page. Updates will also be sent to your @purdue.edu email address, so be sure to monitor that account regularly or forward it to your preferred address.

Assignments and Grading

Almost every week we will have either a short in-class quiz or a small homework exercise. There will also be a mid-term exam and a final exam, and a paper to be completed in two stages. Cumulative scores during the semester will be posted on Blackboard/Vista (<http://www.itap.purdue.edu/ilt/blackboard>). Scores will be converted to letter grades, including + and – grades, based on a combination of factors. No fixed formula is applied and every student’s unique circumstances are considered; the general principles include mastery of the material and relative performance, with each type of work counting for the following number of points:

Quizzes (best 4 out of 5)	100
Exercises (best 4 out of 5)	100
Mid-term exam	200
Final exam	300
Course project	300
Total	1000

Quizzes: There will be five short quizzes in class, generally on Thursdays, covering basic concepts and facts from the class discussion and textbook. The quizzes will include multiple-choice, short-answer, and analytical problems using graphs. You will *not* have to do numerical calculations for the quizzes. For the course grade, your lowest quiz score (perhaps a zero, in the case of an absence) will be dropped from the average, so we will count only four quizzes at 25 points each.

Exercises: There will be five homework exercises due in class on Thursdays, giving practical examples of the most important concepts from the course. The exercises are based on specific examples to solve real-world problems, so each one involves several numerical calculations. For the course grade, your lowest exercise score will be dropped from the average, so only four will count. You may work together, but each person is responsible for their own answers. The lowest exercise score will be dropped from the average, so we will count only four exercises at 25 points each.

Exams: The mid-term exam will be given in class. It covers the first half of the course and counts for 200 points. The final exam will cover the entire course, and counts for 300 points.

The course project: This class requires a 10-page paper to be submitted in two stages, by uploading the document through Blackboard/Vista using the SafeAssign system. Your enrollment in this class constitutes your consent for your submissions to be stored online by Blackboard/Vista, as part of its global database of academic papers. Detailed guidelines for the course project begin on page 6 of this syllabus.

CLASS TOPICS AND ASSIGNMENT DUE DATES

PART 1. WHAT IS INTERNATIONAL ECONOMIC DEVELOPMENT?

Week 1: Overview

- 1/12 Introduction – what we'll do in AGECE 340, and why (chapter 1)
1/14 Why aren't all countries equally developed?

Week 2: Poverty and income growth

- 1/19 Productivity, income and purchasing power (chapter 2)
1/21 Real income, health and nutrition **Quiz #1**

Week 3: Consumption patterns

- 1/26 Price elasticity and demand curves (chapter 3)
1/28 Income elasticity and Engel's law **Ex. #1 due**

Week 4: Demographic transition

- 2/2 Births, deaths and the transition from large to small families (chapter 4)
2/4 Demographic transition and age structure of the population **Quiz #2**

Week 5: Structural transformation

- 2/9 Income growth and the shift from farm to nonfarm activity (ch. 5, pp. 81-86)
2/11 Rural-urban migration and the number of farmers **Paper topic + sources due**

PART 2. THE MICROECONOMICS OF DEVELOPMENT

Week 6: Poor but efficient?

- 2/16 Are low-income producers "inefficient"? (ch. 5, pp. 87-102)
2/18 Input response and production levels **Ex. #2 due**

Week 7: What drives growth?

- 2/23 Markets, specialization and growth (chapter 12)
2/25 Innovation, technology adoption and growth **Quiz #3**

Week 8: Is growth sustainable?

- 3/2 Productivity and the environment (chapters 9 & 14)
3/4 Markets and environmental services **Ex. #3 due**

Week 9: Review and mid-term exam

- 3/9 Mid-term review
3/11 **Mid-term exam** (in class)

--spring break--

PART 3. MARKETS AND GOVERNMENT POLICIES

Week 11. Markets and trade

3/23 Discussion of mid-term exam

(chapter 15)

3/25 Demand, supply and market prices

Quiz #4

Week 12: Globalization and comparative advantage

3/30 Transaction costs, trade and globalization

(chapter 16)

4/01 Comparative advantage and trade

Ex. #4 due

Week 13: Trade policy

4/06 National policies: tariffs, quotas and subsidies

(chapter 17)

4/08 Remediating externalities: domestic policy vs. trade policy

Quiz #5

Week 14: Macroeconomics and fiscal policy

4/13 Exchange rates and inflation

(chapter 18)

4/15 Monetary and fiscal policy

Ex. #5 due

Week 15: Capital flows, migration and aid

4/20 Capital flows and debt forgiveness

(chapter 19)

4/22 Migration, remittances and foreign aid

Paper due Fri. 4/23 5pm

Week 16: Wrap-up and review

4/27 Pre-finals review

Dead week--nothing new!

4/29 Pre-finals review (continued)

Week 17: Final exam (Date/room to be announced)

The Course Project

About a third of your grade for this class will come from your course project. It is a very large part of the course, and requires a substantial effort.

Project description. This project asks you to describe the scholarly literature on a subject of interest to you. The entire project is worth 300 points, and will be completed in two stages: first a one-paragraph description of your topic with a list of 10 or more sources, followed by a paper of up to 10 double-spaced pages.

- **Assignment 1 (due by 5:00 pm, Thurs. February 11):** The first assignment is a one-paragraph description of your topic with a list of 10 or more sources listed in standard bibliographic format. This will be graded out of 50 points on the basis of how well the source list matches your stated topic. This assignment ensures that you have found at least 10 useful scholarly sources for your topic. If you cannot find good sources easily, you should change the topic. How to do this is discussed further in the “Guidelines” section below.
- **Assignment 2 (due by 5:00 pm, Fri. April 23):** The paper itself should have a maximum of no more than 3,000 words (about 10 double-spaced pages of text), plus the bibliography and any charts and tables you might have. It will be graded out of 250 points, based on the paper’s factual accuracy, logical structure and grammar, formatting, clarity and persuasiveness. Some suggestions for good writing are discussed further below.

Project submission. Both stages of the course project are to be submitted by uploading a document (in Microsoft Word or other electronic format) through Blackboard/Vista using the SafeAssign system. This facilitates record-keeping, and ensures that each submission is original work. SafeAssign will compare your submission to virtually every previous piece of writing that ever appeared anywhere on the internet or was submitted for other courses, so I can see how your writing compares to previous work. Color-coded highlighting shows each phrase that previously appeared elsewhere. Some overlap with previous work is normal. The goal is to draw from many different sources, and reconfigure what you’ve read into ideas of your own. What is unacceptable is simply copying an entire sentence or more. Cut-and-paste copying is easy to do but is even easier for me to catch, so don’t do it – ground rules for this class are explained on the first page of this syllabus.

The cover page. Before to uploading your paper via SafeAssign, please **remove your name and other identifying information**. That way, only I will know that you are the author. **The first page should show only your paper’s title and the date.** This protects your privacy from any other users of SafeAssign who might see your paper in the future.

Grading. Your submission will be graded in terms of how well it responds to this particular assignment. Your task here is to describe the scholarly literature on a topic of interest to you. This kind of essay is quite different from the kind of writing you have previously done. To succeed, you must try to describe the scholarly articles and books you have found, to explain what is known about your topic. A successful literature review persuades the reader that your sources offer trustworthy information about your topic. For each source, you should describe clearly what makes their views trustworthy in terms of: (a) the *evidence* they use, (b) the *arguments* they make, and (c) the *conclusions* they draw about your topic. Overall, you will need to tie these sources together into an argument of your own, drawing your own conclusions about what the scholarly literature has to say on your topic.

Purpose. This project will help you build your ability to find trustworthy sources, read critically, think for yourself and communicate your ideas in writing. These skills are important for your personal life and professional success. With luck, the project will also be very interesting in itself, and it could be very useful as a writing sample for job applications, or provide talking points for interviews.

Sources. A big part of this project is identifying suitable sources. These should be articles and books that are “scholarly”, in the sense of being written by and for a community of independent researchers in a common field. Most scholarship is done in colleges and universities like Purdue, but some is done in government agencies such as the US Department of Agriculture, or other organizations like the World Bank. The most convenient definition of scholarly work is what is included in Google Scholar search system, as described here: <http://www.google.com/scholar/about.html>. Scholarly work varies widely in quality and importance, so your job is to read carefully and evaluate the important of each source to know what is most trustworthy.

Topic. You are free to write on any subject related to economic development. This is very open-ended. Almost everything is related to economic development, but not all topics lend themselves easily to a literature review. The guidelines below will get you started. Your topic can and should evolve as you read and discover what subjects are actually addressed by the literature you’ve found. My suggestion is to:

- *Choose a topic that is interesting and useful to you.* You can do a project that has real value for your career, family life or other interests. Think about the companies or industries with which you might work, the products and services you enjoy using, or any aspect of life around you that matters to you.
- *Choose a topic on which scholarly research is available.* Some topics you might want to pursue will not be feasible, simply because you cannot find enough research to describe in your literature review. The flip side of this problem is an opportunity: if you find a lot of good research on something, that could help make it a good topic for you.

- *Choose a topic gradually.* You will not know what's available until you look, so you must let your topic evolve as you search for sources, read what you find, and think about it. This search is like looking for something on a map: if you don't find what you're looking for, you should zoom out to see the context, then zoom back in again towards what you want to see. For example, if your family is in the grocery business and you start with the influence of Wal-Mart on smaller supermarkets in Indiana, you probably won't find much – so you need to “zoom out” to look for sources on how supermarkets have evolved in general, and use what you find to zoom in again on the topics for which high-quality scholarly research has been done.
- *Choose a topic that you can understand and explain.* You will not know what makes sense until you think about it. Your literature review must tell a story about what you've read, explaining what each of your sources has done and then connecting the dots across different sources. If you don't see a pattern, keep looking for other sources that are meaningful for you, and think about them until you either see a pattern or move on to other sources.

Guidelines. Most students in this class will never have written a literature review before; most have written few if any scholarly papers of any kind. For this reason, detailed guidelines are provided here in Q&A format.

What is a lit review? My definition of a literature review is pretty simple: you read a lot, then tell me about it. You should spend about half of your time on the first part, assembling and reading sources, and about half on the second, by writing and re-reading after you've started to write. Here is how I suggest you proceed:

- *The literature: your first job is to read.* Assignment 1 asks you to list at least 10 sources, and for the final paper you should expect to have at least 15. A few of these may be books, but most will be articles and reports. You do not have to read every word of your sources, and you are free to change your sources as you go. When you are looking for material on your topic, you must learn to skim until you see something that relates to what you already know in an interesting way. Then you must keep reading, to see the context in which that fact or argument is being made.
- *The review: you must describe and explain what you have read.* Assignment 2 asks you for no more than 3,000 words of text, which is pretty short. You cannot simply repeat the content of what you've read, but must talk about the sources themselves. For example, a sentence might be like “A argues that X caused Y, but sources B and C suggest other causes”. In other words, the focus is on your sources, as much as the topic. It would be too easy to just say “X causes Y” and stop there! What I want to know is what your sources A, B and C said. To persuade me that they are trustworthy, authoritative sources, you must tell me what *evidence* they use, what *arguments* they make, and what *conclusions* they draw. Your job is to compare and contrast your sources, and tell me what you think of their evidence, arguments and conclusions.

What happens if I just write a normal essay? You will get a lousy grade. This is a very specific kind of assignment. You will be tempted to submit a paper that is similar to the kinds of writing you might have done before. For example, you have probably written a few essays, in which you were asked to say what you think about some topic. You may even have had to do scholarly research on that topic, and to cite your sources in a scholarly way. ***That is not what is requested here.*** This paper should be about the sources, not about the topic itself. It is about what your sources have said, and what you think of those sources' evidence, arguments and conclusions. You must compare and contrast your sources, and tell the reader what you think are the most trustworthy ideas you have found.

Where can I get help? You can always call me or the TA for this course, Carrie Zylstra, but there are many good sources of advice for how to write literature reviews. The easiest way to find advice is to look for it, and a google search for "literature review" will give you several useful advice sites at the top:

<http://www.google.com/search?q=literature+review>

As of early January 2010, the first site they list is from the University of North Carolina's Writing Center, but many other universities provide similar explanations. Since you've paid tuition at Purdue, you can also go in person for help to Purdue's writing lab (info at <http://owl.english.purdue.edu>) or to the Academic Success Center (their info is at <http://www.cla.purdue.edu/asc>).

How should I find sources? The better the sources, the easier it is to write about them, so careful searching is very important. With the internet and libraries, there are many ways to find the same sources. Some articles and books are available on paper, and you may want to browse in the library, through the catalog and then through stacks of books and journals to find what you need. Most of the search process is done online, however, and the following hints may be helpful:

- **Use the public web.** This particular assignment asks you to focus on the *scholarly* literature, which is made much easier by the development of the google scholar database and software: www.google.com/scholar. This service uses the same concepts as google.com, applied to scholarly work instead of the internet as a whole. As with other Google searches, you may want to scroll through the many links that Google Scholar suggests, but you can also look only at the first page of hits, and change your search terms if you don't see what you want; when your search terms are successful then keep looking through the first several pages until the links are no longer useful to you. Learning to use Google effectively is like learning to drive a car. You could avoid it, or just do it badly, but if you learn to do it well you'll use it every day to get where you want to go quickly and safely. Remember, however, that the public web contains only information that someone wants to give away for free! In a sense, everything on the web is an advertisement for something else, which they're trying to get you to pay for.
- **Use the library.** Many of the links you'll find in google scholar take you to a scholarly journal that requires a paid subscription. In most cases, you can access

this through the Purdue libraries, using your Purdue login and password. To do this from home, be sure to enter the Purdue library information here: http://scholar.google.com/scholar_preferences. You can also go directly to the Purdue library's website, www.lib.purdue.edu, and to its "research help" page: <http://www.lib.purdue.edu/help>. You may also want to use the physical library, either as a study space, or to access their printed books and journals or other materials, or to ask the librarians for help.

- *Keep track of your stuff!* A first step in any task is just to keep track of what you're doing, and do it effectively. Organize your files, keep bookmarks for useful sites, and download the sources you find useful (usually as PDF files) onto a hard disk or thumb drive. Since all machines sometimes break, you must make regular backups. Managing and preserving computer files is *your* responsibility, not the computer's.

What style or format should I follow? The style and format of whatever you do should be tailored to your audience. In this case, you should imitate the style you see in the scholarly sources you are citing. A resource at Purdue describing this style, which is common to almost all social sciences, follows the guidelines of the American Sociology Association: <http://owl.english.purdue.edu/owl/resource/583/01>

- The *bibliography* and citation formats can be time-consuming and painful. Just remember that your goal is to imitate the style of the literature you are reviewing – and that you should start typing (or cutting-and-pasting) each publication's bibliographic entry into your draft document as soon as possible, so as not to lose that information. This bibliography, like most scholarly works, should only list references actually cited in the text.
- Your *citations* should point to the source of any fact or idea that is not common knowledge. In economics and many other areas, the preferred format is to list a source's last name and year of publication (in parentheses) immediately after the fact is presented, or woven into the sentence. This is often known as the "Harvard system". For example, you can note that such-and-such was first suggested by Smith (1999), or simply state the fact followed by its source (Smith, 1999). A source should also be listed for all data in tables or graphs. This permits a reader to look up the full reference in your bibliography, which must be listed alphabetically by author so it's easy to find the full reference for each citation.
- Your *cover page* would normally show your name and some contact information, but please do so only for versions of this paper that you might use in the future as a writing sample. The version that you submit for this class via Blackboard should *not* have your name anywhere in the file. Blackboard will show me who submitted it, but no one else will know. This anonymity protects you from any loss of privacy, in compliance with U.S. law. If you want to use the paper as a writing sample for other purposes, you should add a cover page that has your name, an appropriate title (e.g. "The Impact of Purdue University on Indiana's Economic Development"), a subtitle that explains what the paper is for (e.g.

“Literature Review for AGE 340 – International Economic Development, Spring 2009”), and the date submitted (e.g. “April 23rd, 2010”).

- *Page numbers* must be shown on all except the first page.

Any advice on writing? There are lots of good writing-advice sites, of which one of the best is Purdue’s OWL, mentioned above. But everyone has their own opinions, so here are mine:

(i) **Tell a story.** I think writing works when it tells a story, and you (as the story-teller) earn the reader’s interest, by showing that you understand your subject and have something to say about it. In this case, the story is about your sources: your job is to re-tell the information that your sources provide in a logical, interesting way. In the lit review, I want to know: Who wrote what? When? Why? Above all, you must describe their *evidence, arguments* and *conclusions*. How is it different from your other sources? You will need to present some facts, some comparisons, and some analyses including your opinions and the opinions of others. A good story might say, "Smith’s book is often cited by others" (a fact), "although it is much shorter than other books" (a comparison), "because summarizes previous work very clearly" (an explanation). If your writing presents only facts, or only opinions, you will have lots of words but no story.

(ii) **Use paragraphs.** Each event or idea in your story can be the lead sentence in a paragraph, which is followed by some examples, comparisons, or explanations. This can help you turn your sources into an interesting story, by chaining together paragraphs that make specific points. You’ll have to be selective, and focus on what the reader might want to know. How well you communicate depends on the value of your comparisons and explanations! You must think carefully about what is important, and why.

(iii) **Use section headings.** Your report is to be a maximum of 10 double-spaced pages. It should probably have four to six distinct sections, each with a meaningful title. In the examples below, I’ve put a boring generic section heading, followed by a translation of what I think this section should do. Your actual headings should convey more information. For example, an actual section heading might be “Employment Prospects for Purdue Graduates”. But the basic outline of a good report would be something like this:

- Introduction** (meaning: *Why you should read this lit review.*)
- Background** (meaning: *Here’s the context of the literature I’m reviewing*)
- Theme one** (meaning: *Here’s one interesting angle on this literature.*)
- Theme two** (meaning: *Here’s a different interesting angle.*)
- Conclusion** (meaning: *Here’s my takeaway message from all this.*)
- Bibliography** (meaning: *Trust me, I used the best available sources.*)

(iv) **Edit carefully.** Good writing is good editing! Every time you look at what you wrote, you should be looking for something to improve. Writing a paper is like dressing for a fancy party: it’s not finished until you’re out of time.

(v) **Set the tone carefully.** The purpose of writing is to communicate! Some of the things that often block communication are:

- being overly familiar, and writing as if you were talking. Avoid saying "as you know...", "I found that...", etc. -- it's better to just write down your ideas directly.
- being overly exact, or overly vague. Avoid saying "the population is 5,167,321", or "the population is huge", when what the reader really needs to know is "the population is about five million." You must put yourself in the reader's shoes, to see how much detail looks right.
- being uninformative. Avoid saying things that are always true, such as "As average temperatures rose, the weather became warmer." This sentence is empty unless you are pointing out something special or different about your case.
- being dull. To interest the reader you must tell a story, giving facts but also comparisons and explanations. You are the best judge of whether your paper is interesting or boring: you should read and re-read what you wrote, changing it each time to make it more clear, more meaningful, and more interesting.

(vi) **Use numerical data in graphs and tables.** A good description of economic issues usually requires more numbers than can conveniently be presented in plain text. So, to describe what's in your sources for the literature review, you may want to cut and paste their tables or graphs into your paper. Tables are usually used when an author wants to compare specific numbers (i.e. comparing income levels across countries), and graphs are used when they want to show a relationship between variables (i.e. the rise or fall over time of one thing, relative to another). You can cut and paste these as images from PDF files. Just be sure to cite appropriately, with a note under each chart or table that provides the full bibliographic citation. (For example, this might say: "Source: Reproduced from AuthorName (2007), "Title of their paper", *Journal title*, Volume(Issue):Page Numbers."). Then, in the text of your paper you must explain what that chart or table means to you. Do not repeat the information on the graph, but rather say, for example, "As shown on Figure 3, the results presented in AuthorName (2007) suggest that the incomes of Purdue graduates are much higher than those of students from some other universities, especially when compared to..."

(vii) **Have a beginning, middle and an end.** In particular, you should try to conclude with a paragraph that summarizes your entire report, giving the reader some perspective on what you've said. There are many different ways to conclude, but it not good enough to just stop writing. You want the reader to feel satisfied, to feel they know something useful that they didn't know before – as I hope you feel after reading this, and after completing this course project!