

AGEC 340 International Economic Development Prof. John H. Sanders

**AGEC 340 –International Economic
Development 10564
Fall 2018
Tuesday-Thursday 12-1:15 pm.
Armstrong 1010
Purdue University**

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Welcome. Welcome to Agricultural Economics 340 for the fall semester 2018. It's a course about economic growth, economic crises and poverty-income distribution issues. Yurani Arias Granada is the Graduate Assistant.

Course Goal. Here is what we're aiming at:

After taking AGECE 340, you will be able to apply your knowledge of economics to analyze and evaluate countries' development choices, the determinants and responses to the periodic economic crises in the system such as the 2007-2008 housing-bank crisis in the US, and evaluate various approaches to Income distribution-poverty reduction in developing and developed countries.

Text I have tried to make the lecture notes a detailed synthesis of the course . In revising the course notes there will be Power Point slides per lecture and after the end slide some additional details. These additional details will often be more complicated economic models or additional data/info such as US economic performance in various decades, EU membership, etc.This additional information is for you to have or to see some more complicated treatment of some issues as the exchange rate. But you are only responsible for the basic notes not these additional details. Plus you are responsible for the accompanying reading put on the Blackboard if indicated that you are also responsible.I will try to have more class discussion rather than getting through all the material in the lectures but please raise questions if the basic material in the Power point lectures is not clear whether we have or have not covered it.

I recommend that you buy, M. Schuman, **The Miracle, The Epic Story of Asia's Quest for Wealth.** It is written like a novel. Some data but no Figures. We will cover much of it. I expect it will help you on the exams and it is easy reading. Acquisition info: On Amazon from \$2 to \$16. .Barnes and Noble has a new paperback for \$16.

Another useful reference is the World Bank data in World Development Indicators, 2017. I will put it on Blackboard reading.

Class Website. Announcements will be made regularly so check it from time to time. The Blackboard Learn log-in address is **mycourses.purdue.edu**. There is also a link to Blackboard on the Purdue homepage at **www.purdue.edu**. Everyone registered for the course should see a link to AGECE 340 on their "My Blackboard" page.

Office Hours. Prof. Sanders and Yurani will hold office hours each week. Usually Prof Sanders will be available Wednesday 9 to 10:00 and Friday 2 to 3:00 pm.Yurani will be available If these times don't work for you, contact me through email or phone, and we'll find a time that works.

Boilercast. Boilercast is a system for recording lectures and the Power Point slides that go with them. I'll be recording all the lectures with Boilercast, and there will be a link to the recordings on Blackboard

clicker We'll be using iclickers in this class. *You'll need to bring your clicker to class.* If you don't have one, they should be available at the bookstore. Please get one before the first class. . Participation adds to your grade; you can accumulate up to 40 points from clicker questions.

Quizzes. Will be using the clicker for interaction from the class and to follow up on important points to discuss. In addition will be doing quizzes on the clicker with the objective of there being 40 possible points from these quizzes with one point for attendance and one point for getting the answer right. *On attendance. I expect all to be polite to the other students presenting their country reports so those needing to miss one of these last classes should have a valid excuse. I am sure you expect a full audience for your presentation.*

Modules. The course is organized into three modules, two Mid term exams and a final exam. The final exam will cover the third module and be a review of the entire course. The three modules are *Growth models, Economic crises, and Income Distribution-Poverty reduction.*

In-Class Exams. There will be two in-class exams during the semester and a final during exam week. The in-class and final exams will be a mix of multiple choice questions and short written responses. The two mid term exams will be worth 100 points each and the final 200 points. Crib sheets (one page on both sides) are allowed.

Homeworks. There will be three homeworks each worth up to 10 points and a term paper worth up to 30 points. On the three homeworks you can collaborate but submit them individually. All three homeworks include calculations and some of you are better than others at this. **Warning** You will probably need to know how to do the calculations and/or the essay components of these questions for the exams. These three homeworks separate from the paper are designed to make you more comfortable with some of the basic calculations in development specifically comparison of growth rates, the PPP adjustments of comparative welfare levels, and the calculation of Gini ratio approximations. Besides the calculations there will also be a small essay component on each of these. You can discuss the essay questions but I want to see individual essays, not copies.

The main homework will be a term paper of one country of your choice. I would like you to attempt to cover the three topics of the modules, growth or lack of same, crises, and income distribution-poverty alleviation for your country . You can write 3 to 5 pages on each topic. You should identify two countries of your choice by **September 6 and submit that to me.** I am asking for two choices just to spread class coverage around to cover more countries but will try to give people their first choice. Please give me your first written section on growth on **Oct 16 (3 to 5 pages).** The entire paper is due **Nov. 20** and then give everyone the opportunity to present it to the class in the last four to five class sessions (8 minutes per presentation) On the first submission I will give you feedback rather than points and allow you to respond to those comments later in the term You will get up to 30 points for this paper equivalent to the three homeworks.

Grades. From Exams, homework, quizzes. 500 possible points. *Probable* scale.

425-500 A

350-425 B

200-350 C

<250 D,,F

Depending upon performance I may utilize the top point scores as the maximum (100%) and reconstruct this scale with the approximate percentages.

Makeup and Late Policy. If you will miss an exam, contact me *before* to schedule an alternate time. It is important to do this as soon as possible, because I post the answers to the exams on blackboard.

Course content and dates: As we progress there may need to be some adjustments and will advise you.

Module1. Growth Models

Oct 4 First Module Exam

Module 2. Debt Crises

Nov. 1. Module 2 Exam

Module 3. Income Distribution-Poverty Reduction

Dec. 10-14. Finals Week. Final Exam on Module 3 and rest of course

Lecture Program.

First Module. Economic Growth: Success Components and Problems

Aug 21. Overview of Course

Aug. 23. Lecture 1 China: 40 years of Rapid Growth. .

Aug 28. Lecture 2. Impact of Globalization on the U.S.: Employment Effects, Trade Surplus and Deficits. Savings Gluts

Aug 30. Lecture 3. Japan. Recovery, Accelerated Growth and US Panic

September 4. Lecture 4. Asian Tigers. Starting Poorer. *Homework 1 assigned. US and Chinese growth*

September 6. Lecture 5. India. Better Late than Never

September 11. Lecture 6. Soviet Union: Rise and Collapse. What happened?

September 13. Lecture 7 European Union: Integration and a Different Approach to Social Questions
Homework 1 due

September 18. Lecture 8. U.S. Boom of the '90s and then Bust

Sept 20 Lecture 9 Brazil: the Miracle and later Lula. *Homework 2 assigned. Calculation of PPP with Big Macs*

September 25. Lecture 10 South Africa: Mandela and Klerk

September 27 Lecture 11. Middle East. Black Gold or Nightmare?

Oct 2. Lecture 12 What Have we Learned about Growth? Who gets the 21st Century?

October 4 Exam

Oct. 9 Holiday

Second Module: Overcoming the Periodic Crises

Oct 11. Lecture 12 Petro Dollars and then the Crisis. *Homework 2 due*

Oct 16. Lecture 13 Guest lecture: Afghanistan: Building the economy after devastation

Oct 18. Lecture 14 Latin America, The Lost Decade and the Washington Consensus

Oct 23. Lecture 15 The Asian Crisis and Recovery

Oct 23 Lecture 16 US, 2007-2008. The Great Recession

Oct 25 Lecture 17 The E.U. Crisis. Greece v. Germany. Austerity Programs

Oct 30 Review Lecture 18 Improving the Response to Crisis. Sharing the blame for bad loans?

Nov 1..Exam on Module 2

Module 3. Income Distribution and Alleviating Poverty: What have we learned?

Nov. 6 Lecture 19. Income distribution. Gini ratios and Poverty Measures *Homework 3 Income Distribution-US and Brazil. Gini coefficient*

Nov 8. Lecture 20. Latin America. Finally effective action on poverty problem.

Nov 13. .Lecture 21 Sub Saharan Africa Continuing Concentration of Poverty. Why?

Nov 15. Lecture 22. China and India Gradual shifts from control economies and poverty reduction *Homework 3 due.*

Nov 20. Presentations by students (8 minutes from your essay on your country)

Thanksgiving

Nov 27 Presentations by students

Nov 29. Presentations by students

Dec.4. Presentations by students

Dec. 6 Review for Exam.

Dec. 10-14. Finals week

Academic Integrity. That means, “don’t cheat.” Purdue has a guide for students on integrity at www.purdue.edu/purdue/about/integrity_statement.html. We’ll be proctoring the exams to prevent cheating. On the in class quizzes you can interact before submitting

Campus Emergencies. If there is a major campus emergency, course requirements, deadlines and grading percentages may be changed. Information about any changes will be posted on the Announcements page of the class website.

We take these emergencies seriously at Purdue. To report an emergency, call 911. To obtain updates regarding an ongoing emergency, sign up for Purdue Alert text messages, at www.purdue.edu/ea. There are nearly 300 Emergency Telephones outdoors across campus and in parking garages that connect directly to the Purdue police. If you feel threatened or need help, push the button and you will be connected immediately.

If we hear a **fire alarm** “go out”. We will suspend class, evacuate the classroom, and proceed outdoors. For a **tornado warning**, “go down”. We will suspend class and proceed to the nearest stairwell to shelter in Witherill’s basement corridors. If we are notified during class of a **Shelter in Place** requirement for a hazardous materials release, or a civil disturbance, including a shooting or other use of weapons, “seal up”. We will suspend class and shelter in the lecture hall, locking the door and turning off the lights. You can review the Emergency Preparedness website for additional information, at www.purdue.edu/ehps/emergency_preparedness .