

**INTERAMERICAN UNIVERSITY OF PUERTO RICO
METROPOLITAN CAMPUS
FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES
SCHOOL OF MANAGEMENT
DOCTORAL PROGRAM**

I. TITLE	REGIONAL AND GLOBAL ECONOMIC DEVELOPMENT
COURSE	ECON 8150
CREDITS	3
PREREQUISITES	NONE

II. COURSE DESCRIPTION

Exam of economic theories, models and policies for development. Analysis of the aspects related to development planning and the models most frequently used. Strategic factor development for global and regional growth. Comparison of interregional economic disparities among developed nations and newly developed countries, and the policies developed for diminish the problem arriving for the economic develop.

III. OBJECTIVES

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- 1.0 To examine many of te problem faced by developing countries as they attempt to raise their incomes and modernize their economies.
 - 1.1 To establish the differences between developing and undeveloped countries
 - 1.2 To discuss lessons from western experience relevant to the Problems of developing countries.
 - 1.3 To identify lessons from western experience relevant to the problems of developing countries.
- 2..0 To analyze how individual countries have handled many important

issues regarding their economies.

2.1 To explain the main theoretical perspectives on the problems of developing or less developed countries (LDCs).

2.2 To discuss the concept of developing economies

3.0 To develop original research in the field by modifying existing models.

3.1 To critically evaluate the assumptions, modeling, empirical evidence and the validity of the policy relative to existing theories and models.

3.2 To obtain more relevant empirical evidence to develop new models and policies.

IV. CONTENT (TOPICS)

Course Outline

A. Defining and Measuring Economic Development

Readings

*Hollis Chenery and T.N. Srinivasan (Ed.) Handbook Volume 1

1. The Concept of Development - Amartya Sen
2. The Roots of Development Theory - W. Arthur Lewis

*Michael P. Todaro, Economic Development, chapters 1-2

B. Macroeconomic Models of Economic Growth and Development

1. Classical, Structural, Dualistic, and Radical Growth Theories

2. Neoclassical Growth Theories

Readings

*Gerald Meier (ed.), Leading Issues in Economic Development pp. 30-32; 69-85; 91-99; 102-103; 107-109; 342-367.

* Michael P. Todaro, Economic Development, chapters 3 and 4

C. Problems and Policies: Domestic

1. Income Distribution, Poverty and Growth

2. Population Growth and Economic Development

3. Unemployment Issues

Readings

Michael P. Todaro, Economic Development, chapters 5-7

February 4: T.W. Schultz, "Nobel Lecture: The Economics of Being Poor", Journal of Political Economy (1980).

D. Other Problems and Policy Issues

1. Rural-Urban Migration

2. Agricultural Transformation

3. Environment and Development

4. Education and Development

Readings

Michael P. Todaro, Economic Development, chapters 8-11

Gerald Meier (ed.), Leading Issues in Economic Development,

"Importance of Agriculture," pp. 397-405,

"The Agricultural Transformation," pp. 431-434 and "The Case for a Unimodal

Strategy," pp. 444-450.

Ruiz, Angel L., "Impacto del Sector Agro-Industrial en la Economía de Puerto Rico, Ceteris Paribus, Vol. 6, Numero 1, abril 1996.

E. Problems and Policies: International

1. Trade Theory and Development

2. Export Promotion, Import Substitution and Economic Integration

3. Macro Stabilization Controversies

Readings

Michael P. Todaro, Economic Development, chapters 12-15

Gerald Meier (ed.), Leading Issues in Economic Development pp. 221-230; 233-246; 576-578.

V. ACTIVITIES

A. Presentation in Power Point of Results of Paper Assigned

VI. EVALUATION PROCESS

A. Examination

During the semester, two regular examinations will be given. Both will be worth 50% and will be comprised of essay, short answer, and problem questions. A final exam will also be given that will be worth 25%. The final will be partially comprehensive in nature.

B. Papers

Two research papers worth 25% each are required for each student. The paper should cover subjects to development theory and policy. Empirical applications, or case studies, on specific countries are welcome.

Your course grade will be a weighted as follows:

Mid-term Exam	25%
Final Exam-----	25%
Research Papers-----	50%
Total-----	100%

Grades

The following maximum grading scale is guaranteed:

- * 90 - 100% = A
- * 80 - 89% = B
- * 70 - 79% = C
- * 60 - 69% = D
- * Below 60% = F

VII. RESOURCES

* Michael P. Todaro and Stephen C. Smith, Economic Development, 8th edition, Addison-Wesley, 2003.

A. OTHER RECOMENDED TEXTS FOR REFERENCE

Gerald Meier (ed.), Leading Issues in Economic Development, 7th Edition (New York: Oxford University Press, 2000).

Hollis Chenery and T.N. Srinivasan (Ed.) Handbook of Development Economics, Volume 1, Elsevier, North Holland Publisher Company

Hollis Chenery and T.N. Srinivasan, Handbook of Development, Economics, Volume 2, Elsevier, North Holland Publisher Company

Jere Behrman and T.N. Srinivasan (Ed.) Handbook of Development, Economics, Volume 3-A and 3-B, Elsevier, North Holland Publisher Company

VII. BIBLIOGRAPHY

Besley and Burgess (2003) "Halving Global Poverty" *Journal of Economic Perspectives*

Paul Krugman, "The Fall and Rise of Development Economics," Chapter 1 in *Development, Geography and Economic Theory*, MIT Press, 1995.

Gerald Meier (ed.), Leading Issues in Economic Development, pp. 7-17; 86-90; 117-119; 121-125; 140-144; 329-338; 397-404.

G.M.Grossman and E.Helpman, "Endogenous Innovation in the Theory of Growth," Journal of Economic Perspectives (1994).

H. Pack, "Endogenous Growth Theory: Intellectual Appeal and Empirical Shortcomings," Journal of Economic Perspectives (1994).

P. Krugman, "Toward A Counter-Counterrevolution in Development Theory," and comments by Stiglitz and Jayawardena, Proceedings of the World Bank Annual Conference on Development Economics 1992.

Romer. P., "The Origins of Endogenous Growth," Journal of Economic Perspectives, 8, 1, 1994: 3-22.

Romer, P., "Idea Gaps and Object Gaps in Economic Development," Journal of Monetary Economics, 32, 3, December 1993.

Download the following articles from Internet (in PDF)

1. "Sergio Rebelo, The Role of Knowledge and Capital in Economic Growth"
2. "Economic Commission for Latin America, ECLAC and the New Growth Theories"
3. Theo C.M.J. van de Klundert, Growth Theory in Historical Perspective"
4. Mark P. Taylor and Lucio Sarno, Capital Flows to Developing Countries: Long and Short-Term Determinants"

Mankiw, N.G., D. Romer and D. Weil, "A Contribution to the Empirics of Economic Growth," Quarterly Journal of Economics, 107, 1992: 407-437.

Baumol, William, "Productivity, Growth, Convergence, and Welfare", American Economic Review, 1986, Vol. 76, pp. 1072-1085.

De Long, Bradford, "Productivity, Growth, Convergence, and Welfare: Comment," American Economic Review, 1988, Vol. 78, no. 5 (Dec.) pp. 1138-1154.

M. Ravallion, "Issues In Measuring and Modelling Poverty," Economic Journal (1996).

P. Bardhan, "Efficiency, Equity and Poverty Alleviation: Policy Issues in Less Developed Countries," Economic Journal (1996).

Jere Behrman and T.N. Srinivasan (Ed.) Handbook of Development, Economics, Volume 3-B chapter 41 (Michael Lipton and Martin Ravallion, "Poverty and Policy")

February 16: M. Ravallion, "Famines and Economics," Journal of Economic Literature (1997)

Hollis Chenery and T.N. Srinivasan (Ed.) Handbook of Development, Economics, Volume 1, the following chapters:

8. The Agricultural Transformation") by C. Peter Timmer
11. Migration and Urbanization - Jeffrey G. Williamson
12. Economic Approaches to Population - Growth Nancy Birdsall
13. Education Investments and Returns - T. Paul Schultz
14. Health and Nutrition - Jere R. Behrman and Anil B. Deolalikar
15. Labor Markets in Low-Income Countries - Mark R. Rosenzweig

Hollis Chenery and T.N. Srinivasan, Handbook of Development, Economics, Volume 2 the following chapters:

22. International Cooperation - Paul P. Streeten
23. Trade and Development - Christopher Bliss
24. Alternative Perspectives on Trade and Development - David

Evans

25. Foreign Public Capital Flows - Jonathan Eaton

26. Foreign Private Capital Flows - Eliana A. Cardoso and Rudiger Dornbusch
27. Transnational Corporations and Direct Foreign Investment - G.K. Helleiner Disequilibrium and Structural Adjustment - Sebastian Edwards and Sweder Van Wijnbergen

Malcolm Gillis, Dwight Perkins, Michael Roemer, and Donald Snodgrass, Economics of Development, Chapter 15; Chapter 5; Chapter 20.

Paul Krugman (1998), "What Happened to Asia?" available on-line at the site <http://web.mit.edu/krugman/www/DISINTER.html>

Ruiz, Angel L. and Edward N. Wolff., "Productivity Growth, Import Leakage and Employment Growth in Puerto Rico, 1967-1987, Economic System Research, Vol. 8, No. 4, 1996, Oxford, England

Ruiz, Angel L. and Juan Castañer, "Economic Impact in Puerto Rico of Its Exports to the Caribbean: An Input-Output Analysis" in Irma Tirado de Alonso (editor) Trade Issues in the Caribbean, Gordon and Breach Publishers, New York, N.Y., 1992.

Ángel L. Ruiz and Juan Castañer, "La Importancia del Comercio exterior para una economía orientada a la exportación en el contexto de los acuerdos del libre comercio: El Caso de Puerto Rico en Gerardo Niñez y Emilio Pantojas (editores) El Caribe en la Era de la Globalización.