# Topics in Development Economics

**Department:** Fudan International Summer Session  
**Date:** October 10, 2018

<table>
<thead>
<tr>
<th>Course Code</th>
<th>ECON170007</th>
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<tr>
<td><strong>Course Title</strong></td>
<td>Topics in Development Economics</td>
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<tr>
<td><strong>Credit</strong></td>
<td>2</td>
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<td><strong>Credit Hours</strong></td>
<td>36+3 tutorial hours (one credit hour is 45 minutes)</td>
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<td><strong>Course Nature</strong></td>
<td>□ Specific General Education Courses  □ Core Courses  ☑ General Education Elective Courses  □ Basic Courses in General Discipline  □ Professional Compulsory Courses  □ Professional Elective Courses  □ Others</td>
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<td><strong>Course Objectives</strong></td>
<td>The course aims to build up students' critical-thinking skills through reading the most recent empirical development economics literature and participating in class discussion.</td>
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<td><strong>Course Description</strong></td>
<td>This course discusses why some countries are rich but others are poor from the perspective of institutional economics. It follows Douglass North and asks why, under certain institutions, the private return of economic activities is lower than the social return. We address this question by studying recent development economics literature with a focus on property right, contract institutions, taxation, and corruption. In addition, it introduces a variety of methodological approaches to address a number of empirical questions, such as what is the value of political connection in Indonesia, does third-party reporting reduces pollution in India, and why some countries have more complicated government hierarchy whereas others do not.</td>
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<td><strong>Course Requirements:</strong></td>
<td>There are no formal course prerequisites.</td>
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<td><strong>Teaching Methods:</strong></td>
<td>Lectures, presentations, discussions, essays</td>
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<td><strong>Instructor’s Academic Background:</strong></td>
<td>Dr. LIU Yu is an assistant professor at the School of Economics of Fudan University. He received his PhD in Economics from Yale University in 2014. He has been offering the English-instructed course of Development Economics at Fudan University since March, 2015. His research interests include political economy and development economics.</td>
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Course Schedule:

1: Introduction


2: State and Hierarchy


3: Property Right


4: State-Owned Enterprises

- A brief history of the SOE reform in China.

5: Contract Enforcement


6: Taxation in Developing Countries


7: Tax Evasion

- Dina Pomeranz, “No Taxation without Information: Deterrence and Self-Enforcement in the
8: Building State Capacity


9-10: Group Presentations

11: Rent-Seeking and Extortion


12: Political Connection and Culture of Corruption


The design of class discussion or exercise, practice, experience and so on:

Class Discussion (20%):
In this course, any opinion or idea will be appreciated. Students are expected to actively participate in class discussion and share your perspective.

Group Presentation (30%): 3-4 people
Each group searches for a phenomenon that is related to our course and presents it in class. It could be from any country in any period of time. For example, you can talk about an economic phenomenon in Shanghai, take a picture, and discuss why it may or may not encourage private investment. Each group has 15-20 minutes to talk.

Individual Essay (50%):
Each student can either i) extend his/her presentation further or ii) analyze a different phenomenon, and write a short essay discussing why the phenomenon exists in some countries while not in other countries. You need to relate this phenomenon to economic development. You are expected to show critical-thinking skills in your argument. The essay should be no less than four pages, font 12, double spaced.

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<th>Grading &amp; Evaluation:</th>
<th>% of Final Grade</th>
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<td>Each student is evaluated based on three parts: class discussion, a group presentation, and an individual essay.</td>
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<tr>
<td>Evaluation</td>
<td>1. Class Discussion</td>
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<td>2. Group Presentation</td>
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<td>3. Individual Essay</td>
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There will be no make-up exam.

**Class Discussion (20%)**

**Group Presentation (30%): 3-4 people**

It should include:

1) One picture to show the phenomenon; clearly state what it is
2) Is it a universal phenomenon or does it only exist in your specific context?
3) Use simple economic framework to explain it (why resources allocated in this way)?
4) Do you think it is economically efficient or inefficient?

Evaluation is based on:

1) Whether the topic is original (10 points)
2) Whether you have discussed the four points above (10 points)
3) Whether you have shown critical thinking skills (10 points)

**Individual Essay (50%):**

It should include:

1) No less than 4 pages; but it can be longer than 4 pages
2) What’s the market’s role? Can market efficiently allocate resources in your example?
3) What’s the government’s role? Shall the government regulate it and how?
4) Link it to the general economic development: do you observe the phenomenon in countries of different incomes? Do you think there is a causal relationship between income and the existence of such a phenomenon?

Evaluation is based on:

1) Whether the topic is original (10 points)
2) Whether you have discussed the four points above (20 points)
3) Whether you have shown critical thinking skills (20 points)

**Teaching Materials & References:**

- Fisman R. and Edward M. “Corruption, Norms and Legal Enforcement: Evidence from

Notes: The syllabus will be subject to changes.