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Queens College – CUNY
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 Powdermaker Hall 300-S
 Office Hours:
 Tue/Thu 3:00–4:00pm

**ECON 208: The Process of ECONOMIC DEVELOPMENT
 Fall 2013**

Code	Meeting time	Location	Final exam
92291	Tue/Thu 1:40pm–2:55pm	Powdermaker (PH) 132	Thu 12/19 1:45–3:45pm

Sections below:

[Course Overview](#) | [Learning Objectives](#) | [Prerequisites](#) | [Math](#) | [Academic Honesty \(Cheating\)](#)
[Required Text](#) | [Course Requirements](#) | [Problem Sets](#) | [Web Sites](#) | [Students with Disabilities](#)

(Note: This course has also been labeled Business 383)

COURSE OVERVIEW. We are a nation of over 316 million people now, more than twice our size in 1950. The world as a whole is home to roughly 7 billion people, or about twice the number living in 1970. In contrast, average income in the U.S. is almost \$50,000 per year but only about \$10,000 across the world as a whole. What are the factors that influence growth in population and economic well-being, and what are the prospects for future growth and development? These are big questions, and in this course we will explore how economists answer them. Along the way, we will examine the microeconomic behavior of individuals: how do people choose to work or retire, save or consume, marry, reproduce, and immigrate? What are the implications of these behaviors for markets, for policy, and for society?

LEARNING OBJECTIVES. In this course, we will cover fundamental questions in economic development and population studies. Your specific learning objectives in Econ 208 include the following, in order of their appearance in the course, all based on material in the readings and presented in class:

- Learning demographic transition theory, the cadence of declining mortality followed by fertility
- Assessing the state of and prospects for continued transition and development around the globe
- Using the Solow model to understand the role of saving and population in growth
- Assessing the challenges of population aging for economies and government budgets
- Modeling the effects of implicit taxes on retirement and defined-benefit pensions on well-being
- Understanding developments in family structure and female labor force participation
- Using microeconomic theory to model female labor supply, family size, and quantity vs. quality
- Assessing current trends in U.S. immigration and their economic and fiscal impacts
- Using micro and macro theories to model and cost immigration flows
- Assessing the concept of optimal population size with economic theory
- Learning the Malthusian population model, and comparing it to the Solow model
- Examining the role of technological change in growth and development
- Gauging the implications of population and economic growth for the environment and sustainability

PREREQUISITES. First-year microeconomic principles: Econ 102, and ENGL 110.

MATH. You do *not* need to have taken Math 131, Calculus with Applications to the Social Sciences, before taking Econ 208. That is, you *do not need to know calculus* to do well. But you will find that there is plenty of other math in Econ 208. Although the undergraduate bulletin does not mention it, you *must*

have a working knowledge of **ALGEBRA** and **GRAPHS** in order to pass Econ 208. Most models can be understood through graphs alone, but others require algebra.

I will almost never expect you to memorize any math, but you must be able to recognize any math that I show you on an exam. If you find yourself struggling with math, I suggest you either postpone Econ 208 until you have taken Math 131, which you must do to major or minor in economics, or make use of tutoring in Kiely 131.

ACADEMIC HONESTY. I take cheating extremely seriously. **CHEATING** consists of acts like *copying another student's problem set or exam*; copying my lecture slides and turning them in; discussing an exam with anyone during the exam; bringing crib sheets, notes, or other paraphernalia to the exam; copying another student's term paper or purchasing a paper rather than writing it yourself; and general tomfoolery. Cheating on a problem set earns you a zero and a warning. Cheating on an exam earns you an immediate F for the class and a referral to the VP for Student Affairs. I am ruthless with cheaters. Do not find this out the hard way. [Read more about cheating here.](#)

Problem set 0 will consist of a plagiarism tutorial and quiz on the course Blackboard site. You can earn **extra credit** on the problem sets for learning about what constitutes plagiarism and thinking about the consequences. In today's world with ubiquitous use of the Internet, ownership and attribution can be confusing or seem antiquated. It isn't. Don't copy sources. Cite them. Use them to inform your own thinking.

REQUIRED TEXT. There is **no single required text** for this course. I have assembled **30 READINGS** for this course and made them available through the Blackboard website. You must read these, but read them shrewdly; read the title, the first several paragraphs, the conclusion, look at the graphics, and then read or skim the entire article.

The reading list appears at the end of this syllabus, before the calendar. I have marked each according to when it will be covered. It is **your responsibility** to read these **before class**.

You will need to use the **QUEENS COLLEGE LIBRARY PROXY SERVICE** to access some of the materials online. When you click on some of the links in the reading list on Blackboard, inside the Readings folder in Course Materials, your browser will ask you to input your **QC library barcode**, which is printed on the back of your "QCard" or QC ID card.

*****You must register your QCard** in person at the main circulation desk in Rosenthal Library (the big building with the clock on it) before you can use your library barcode.*** If you have ever checked out materials from the library, then you have already completed this step.

COURSE REQUIREMENTS. Your overall grade in the course will depend on your performance on problem sets, a midterm exam, and a final exam. Each contributes to your course grade in this way:

- Six (6) **problem sets** (& extra credit from a warm-up) are 10% of your overall course grade
- One **midterm exam** is 20%
- One **TERM PAPER** due at the end of the semester is 30%
- One **final exam** is 40% of your overall course grade

The midterm exam will be conducted in class and appears on the course calendar. The exact date, time, and location of the final exam will be announced as soon as they are known. Those with time conflicts must first see the registrar and then me.

The **final** will be **cumulative**, but you should expect to demonstrate your grasp of the concepts, not the details of the models or the math. This course is about creative thinking and problem solving. The ideal method of preparation for the final exam, and for obtaining a good course grade, is to complete all the problem sets and the exams, and ask questions in office hours and in class.

The exams will test your analytical and language skills. You must be able to reason your way through a problem and supply short answers to questions. All the past exams since fall 2006 are available on Blackboard. You should look at them to get an idea of what to expect, but each exam will consist of entirely new questions drawn from the same core material. *My exams are hard.* They always have been. They are hard for everyone. Buckle down and take a deep breath.

PROBLEM SETS will be due on the dates shown in the course calendar. Late problem sets will not be accepted. There are no make-ups. Problem sets must be printed out in hardcopy and turned in. As long as you make a clear effort to complete everything, you will get full credit. If you “half-ass” it, then you get half credit. If you do not turn it in on time, you get zero credit.

Problem sets are distributed online on Blackboard in “Assignments.” All six are already up there, and you can get started immediately if you want.

Once again, please note that **late problem sets will not be accepted, period.** Please do not ask to make them up. You must complete them on time. *Start early, learn how, ask questions of me and of other students, and come to office hours. Take responsibility.*

TERM PAPERS must be your own original analysis of **data** and cannot be longer than 5 double-spaced pages plus any references and up to 7 figures plus tables. The paper cannot be a review or critique of readings or of other work, and it cannot be an essay about an idea. Rather, in the paper you must identify a topic or question in economic development or demography, answer it as best you can using data, and discuss your results. I will talk about how to do this in class.

Each student must submit his or her own unique work. You may discuss approaches to your topics with your friends, but do not submit the same analysis; if you do, all involved will get zeros on the paper and possibly more depending on circumstances. See the section on **ACADEMIC HONESTY** above.

The term paper is due at the end of the term, but I will also require a topic and a first draft to be completed earlier in the term. Consult the course calendar for specific dates. Late submissions will be penalized a third of a letter grade for each day they're late. (For example, if you turn it in one day late and would have earned a B, you will instead get a B-minus.)

Help with writing is available through the QC Writing Center in Kiely 229. Per their website, they improve writing skills; they are not an “essay repair shop.” Feel free to use them if you want to improve your writing ability, which is probably the most important tool you can develop in college. For more information, check out <http://writingatqueens.qc.cuny.edu/the-writing-center/>

WEB SITES. Course materials will appear on **Blackboard**, which you must learn how to use. There is also a publicly viewable [course website](#) where I place the syllabus but nothing else. The Blackboard web tool can be accessed at <http://www.cuny.edu> through the “Log-In link” at the top right-hand side.

Help for Blackboard is available at <http://qcpages.qc.cuny.edu/edtech/BlackBoard/students.html>

STUDENTS WITH DISABILITIES and other special needs will be fully accommodated. Please see the Queens College Office of Special Services in Kiely 171 (718-997-5870) to address these needs.

Course Outline and Reading List

Readings marked with an asterisk (*) are *optional*. You must read all others. **READ BEFORE CLASS!!**

I. INTRODUCTION & BACKGROUND

Class 1: Introduction, Review, & Overview

No readings; but get started!

Class 2: Population and the Demographic Transition

1. [Ronald Lee \(2003\) "The Demographic Transition: Three Centuries of Fundamental Change," *Journal of Economic Perspectives* 17\(4\), 167–190.](#)

Class 3: Mortality

2. John R. Wilmoth (2002) "Human Longevity in Historical Perspective," Chapter 2 in Paola S. Timiras, ed., *Physiological Basis of Aging and Geriatrics*, Boca Raton, FL: CRC Press, 3rd edition.

Class 4: Fertility & Immigration

3. National Research Council (2000) "Transitional Fertility," Chapter 3 in *Beyond Six Billion* Washington: National Academy Press, pp. 53–62, 78–82.

4. National Research Council (1997) "Summary," in *The New Americans*, Washington: National Academy Press, pp. 1–13.

Class 5: Age Structure

5. Cheryl Stauffer (1999) "Building Pyramids" *Population Today* 27(5), 3.

II. DEVELOPMENT THEORY

Class 6: The Solow Model 1

6. N. Gregory Mankiw (2007) *Macroeconomics* 6th edition, New York: Worth Publishers, selections from Chapter 7, "Economic Growth I" pp. 186–192, 206–213.

Class 7: The Solow Model 2

See above

III. AGING

Class 8: Retirement and Pensions

7. Gary Burtless and Joseph F. Quinn, (2001) "Retirement Trends and Policies to Encourage Work among Older Americans," in P.P. Budetti, R.V. Burkhauser, J.M. Gregory, and H.A. Hunt, eds., *Ensuring Health and Income Security for an Aging Workforce*, Kalamazoo, MI: Upjohn, pp. 375–397, 410–415.

Class 9: Implicit Taxes on Work

8. [Jonathan Gruber and David Wise \(1998\) "Social Security and Retirement: An International Comparison," *American Economic Review* 88\(2\), 158–163.](#)

Class 10: Theory of Unfunded Pensions

† A model of unfunded “pay-as-you-go” pensions — see lecture notes

Class 11: Social Security

9. [National Research Council and National Academy of Public Administration. \(2010\). "Options for Social Security", Chapter 6 in *Choosing the Nation's Fiscal Future*. Committee on the Fiscal Future of the United States. Washington, DC: The National Academies Press. Pp. 105–128.](#)

Class 12: IN-CLASS REVIEW FOR THE MIDTERM**Class 13: IN-CLASS MIDTERM EXAM****IV. THE FAMILY****Class 14: Intergenerational Transfers**

10. [Gary S. Becker and Kevin M. Murphy \(1988\), "The Family and the State," *Journal of Law and Economics* 31\(1\), 1–12.](#)

11. [Bommier, Antoine, Ronald Lee, Timothy Miller and Stephane Zuber \(2010\) "Who Wins and Who Loses? Public transfer accounts for US generations born 1850–2090," *Population and Development Review*, 36:1, 1–26.](#)

*12. Ronald Lee and Andrew Mason (2011) “Population aging and the generational economy: Key findings,” Chapter 1 in Ronald Lee and Andrew Mason, eds. *Population Aging and the Generational Economy: A Global Perspective*. Northampton, MA: Edwin Elgar.

Class 15: Female Labor Supply

13. Gary S. Becker (1981) “The Evolution of the Family,” Chapter 11 in *A Treatise On the Family*, Cambridge: Harvard University Press.

14. [Kristin Mammen and Christina Paxson \(2000\) "Women's Work and Economic Development," *Journal of Economic Perspectives* 14\(4\) pp.141-151; 158-164.](#)

15. [Claudia Goldin \(2006\) "The Quiet Revolution That Transformed Women's Employment, Education, and Family," *American Economic Review* 96\(2\): 1–21.](#)

Class 16: “Modern Family”

16. [Suzanne M. Bianchi and Lynne M. Casper \(2000\) "American Families," *Population Bulletin* 55\(4\), 3–25.](#)

17. Michael J. Brien and Michelle E. Sheran (2003) “The Economics of Marriage and Household Formation,” Chapter 2 in Shoshana A. Grossbard-Shechtman, ed. *Marriage and the Economy*, Cambridge: Cambridge University Press.

18. Evelyn L. Lehrer (2003) “The Economics of Divorce,” Chapter 3 in Shoshana A. Grossbard-Shechtman, ed. *Marriage and the Economy*, Cambridge: Cambridge University Press.

*19. [Betsey Stevenson and Justin Wolfers \(2007\) “Marriage and Divorce: Changes and Their Driving Forces,” *Journal of Economic Perspectives* 21\(2\): 27–52.](#)

Class 17: Value of Time Theory

† Value of Time model — see lecture notes

Class 18: Quantity-Quality Theory

20. Gary S. Becker (1981) “The Demand for Children,” Chapter 5 in *A Treatise On the Family*, Cambridge: Harvard University Press.

V. IMMIGRATION

Class 19: Overview

21. National Research Council (1997) “Background to Contemporary U.S. Immigration,” Chapter 2, and “The Face of the U.S. Population in 2050,” Chapter 3 in *The New Americans*, Washington: National Academy Press, pp.30–37, 107–115.

Class 20: Characteristics of U.S. Immigrants

22. George Borjas (1999) “The Skills of Immigrants,” Chapter 2 in *Heavens Door: Immigration Policy and the American Economy*, Princeton: Princeton University Press, pp. 19–38.

Class 21: Macroeconomic Impacts

23. National Research Council (1997) “Immigration's Effects on Jobs and Wages: First Principles,” Chapter 4 in *The New Americans*, Washington: National Academy Press, pp. 135–142, 151–157.

24. National Research Council (1997) “Immigration's Effects on Jobs and Wages: Empirical Evidence,” Chapter 5 in *The New Americans*, Washington: National Academy Press, pp. 219–230.

Class 22: International Labor Migration

† Labor flows in a two-country model — see lecture notes

Class 23: Fiscal Impacts

25. Ronald Lee (2001) “Immigration: Consequences for Fiscal Developments in the Receiving Population,” in Neil J. Smelser and Paul B. Baltes, eds., *International Encyclopedia of the Social Sciences*, Oxford: Elsevier, Vol. 11, 7217–7220.

VI. POPULATION THEORY

Class 24: Optimal Population Theory

† The theory of optimal population size — see lecture notes

Class 25: The Malthusian Model

26. Ronald Lee (1980) “An Historical Perspective on Economic Aspects of the Population Explosion: the Case of Pre-industrial England,” in Richard Easterlin, ed., *Population and Economic Change in Developing Countries*, Chicago: University of Chicago Press, pp. 517–520 and 541–546.

*27. Thomas Malthus (1798) *An Essay on the Principle of Population*, Chapters 1 and 2.

Class 26: The Solow Model & Technology

6. N. Gregory Mankiw (2007) *Macroeconomics* 6th edition, New York: Worth Publishers, selections from Chapter 7, “Economic Growth I” pp. 186–192, 206–213.

28. Ester Boserup (1981) *Population and Technological Change*, Chicago: University of Chicago Press, Chapters 1 and 2.

Class 27: Development and the Environment

29. [Garrett Hardin \(1968\) “The Tragedy of the Commons,” *Science* 162, 1243–1248.](#)

30. Bjørn Lomborg (2001) *The Skeptical Environmentalist: Measuring the Real State of the World*, Cambridge: Cambridge University Press, Chapters 5 and 12.

ECON 208 Calendar, Fall 2013

**Last updated:
8/27/13 4:27 PM**

Week	Tuesday 10:50AM-12:05PM	Thursday 10:50AM-12:05PM
1	27-Aug <i>No class scheduled</i>	29-Aug Class 1: Introduction, Review, & Overview
2	3-Sep Class 2: Population and the Demographic Transition	5-Sep <i>No class scheduled</i>
3	10-Sep Class 3: Mortality	12-Sep Class 4: Fertility & Immigration
4	17-Sep Class 5: Age Structure Problem Set 1 due	19-Sep Class 6: The Solow Model I
5	24-Sep Class 7: The Solow Model II	26-Sep Class 8: Retirement & Pensions TERM PAPER topic due
6	1-Oct Class 9: Implicit Taxes on Work Problem Set 2 due	3-Oct Class 10: Theory of Unfunded Pensions
7	8-Oct Class 11: Social Security	10-Oct Class 12: Intergenerational Transfers Problem Set 3 due
8	15-Oct No class, QC on Monday schedule	17-Oct Class 13: In-Class Review for the Midterm
9	22-Oct Class 14: IN-CLASS MIDTERM EXAM	24-Oct Class 15: The Family During Development
10	29-Oct Class 16: Female Labor Supply & "Modern Family"	31-Oct Class 17: Value of Time Theory of Fertility First draft of TERM PAPER due
11	5-Nov Class 18: Quantity-Quality Theory of Fertility Problem Set 4 due	7-Nov Class 19: Overview of Immigration
12	12-Nov Class 20: Characteristics of U.S. Immigrants	14-Nov Class 21: Macroeconomic Impacts of Immigration
13	19-Nov Class 22: International Labor Migration Problem Set 5 due	21-Nov Class 23: Fiscal Impacts of Immigration
14	26-Nov <i>Class 24: Optimal Population Theory</i>	28-Nov <i>No class, Thanksgiving</i>
15	3-Dec Class 25: The Malthusian Model	5-Dec Class 26: The Solow Model & Technology
16	10-Dec Class 27: Development and the Environment Problem Set 6 due	12-Dec Class 28: In-Class Review for the Final Final draft of TERM PAPER due
		19-Dec FINAL EXAM in PH 132, 1:45–3:45pm Cumulative, with emphasis on second half