ADVISING NOTES FOR DEVELOPMENT CONCENTRATION

MARCH 26, 2011

OVERVIEW

The Development Concentration aims to train students with the background knowledge, capacity for critical thinking, and technical skills to have a successful career as a development practitioner or to pursue further academic study in this field. Like all programs in GPIA, the Development Concentration embraces an interdisciplinary approach that draws from political science, anthropology, economics, law, and health and environmental sciences, while also emphasizing practical skills, field experience, and unity of theory and practice. The distinguishing feature of the GPIA Development Concentration, as opposed to MA/MPP/MDP Economic Development programs at peer institutions, is a focus on critical analysis that draws more emphatically on heterodox approaches to development thinking such as structuralism, capabilities and human development, and human rights. Students are required to not only grapple with various conceptions of development and the variety of theoretical frameworks that are used to explain and understand development, but also to recognize the underlying assumptions and the international socio-political historical context in which theories and practices are embedded.

The required core curriculum of the Development Concentration has both CONTENT learning objectives and SKILL learning objectives. CONTENT objectives encompass the range of knowledge a student should master – i.e., the facts, theories, critiques, and debates a student should know in order to graduate. SKILL objectives are the transferable technical skills students should learn – i.e., the ways of doing – that will allow students to perform successfully in a range of jobs in the development field.

SKILLS include:

1. Competency in conducting country case study and/or sectoral research and writing analytical papers based on this research of the type that might be required by the World Bank, UNDP, and other governmental and multilateral bodies.
2. Facility in writing appropriately structured analytical papers for a range of topics.
3. Facility in using quantitative indicators to generate tables, charts and graphs; ability to represent numbers graphically and read and utilize quantitative development measures.
4. Ability to analyze and evaluate theories in light of empirical evidence – Is a given theory supported or refuted by the empirical evidence? Does the evidence support a different theory better, less, or about the same?
5. Ability to determine the best empirical strategies for defining, framing, and pursing a variety of different kinds of research questions.
6. Proficiency in basic econometric analysis; advanced competency in a research methodology at a level sufficient to conduct programmatic impact evaluations and policy analysis (econometric, GIS, etc.).
7. Training in and knowledge of a variety of research methods and techniques—including case studies, ethnographies, small-n comparative studies, participant observation, structured and unstructured interviews, survey instruments, and archival research.
8. Ability to be critical consumers of both quantitative and qualitative research.

9. Ability to identify underlying assumptions and trace how relaxing or changing these assumptions impacts practical implications of theories.
10. Basic proficiency utilizing mathematical tools and equations to understand economics concepts.

CONTENT includes:

1. Different ways of Conceiving of and Measuring Development
2. Basic Facts of Development Trends and Experiences in Asia, Latin America, Africa, Middle East, North America, and Europe
3. Socio-Political-Economic Explanatory Theories of Development
4. History of Development Thought and Contemporary Debates
5. Economic Growth Models and Macro-Economic Theories
6. Building Blocks of Economic Analysis: Consumer Theory and Producer Theory, Demand and Supply, General Equilibrium, Efficiency and Opportunity Cost
7. Issues in Development – International Trade; Saving and Investment; Human Capital (Education, Health, Gender Issues); International Capital Flows; Fiscal and Monetary Policy and Inflation; Employment and Unemployment; Demographic Transition; Institutions (States & Markets)
8. Economic Growth and Distribution; Inequality, Growth, and Poverty
9. Market Failures

The curriculum of the Development Concentration is designed to fit together in such a way that each course contributes to and reinforces these learning objectives. The core learning objectives are to be met in the three required courses that all students in the concentration are required to take: Economics for International Affairs; Research Methods; Comparative Development Experience, and the concentration foundation course, Development Economics.

RECOMMENDED COURSE SEQUENCE FOR DEVELOPMENT CONCENTRATION STUDENTS

Starting in Spring 2011, and following a comprehensive curriculum review, the curriculum for development concentration has been modified to offer a more rigorous training to meet the learning objectives outlined above.

Economics, Research Methods, and Comparative Development Experiemce are required courses for all GPIA students, and meet a broad range of interests and needs of a diverse study body. It is not always possible to cover the very large scope of skills and topics in the learning objectives of the program for development. Therefore, In order to meet the specific needs of the development concentration students, sections of these three courses tailored to their needs will be offered. The economics section is more intensive than the standard course and meets twice a week. The research methods course is oriented to building quantitative methods and also meets twice a week. The comparative development experience section will place more emphasis on economic policy and analysis.

These are the building blocks for study of development and should therefore be taken as early as possible in the GPIA course of study.

Students in the concentration are therefore strongly recommended to take the following sequence of courses:
Semester 1: Economics for International Affairs (Intensive, for development concentration)

Semester 1: Research Methods (intensive/quantitative, for development concentration)
Semester 2: Comparative Development Experience (section for development concentration)
Semester 2: Development Economics

APPENDIX – DETAILED NOTES ON COURSES

ECONOMICS IN INTERNATIONAL AFFAIRS

This is an introductory course in economics that assumes no prior knowledge of economics. The Learning Objectives for the *Economics in International Affairs* is intended to equip all GPIA students with a broad and basic grasp of key economics concepts sufficient for successful engagement with the topics of CDE and the issues likely to arise over their career trajectories. Students who have studied economics previously may opt out of this requirement by passing an exam which will be offered at the beginning of the semester.

Economics for International Affairs (standard)

This course aims to provide a basic grounding in economic theory. It covers a wide range of topics relatively superficially, without assuming a background in economics, and focuses on concepts rather than mathematical proficiency. But modern economics is very much a quantitative and mathematical discipline so students are still required to use quantitative indicators to generate charts and graphs and analyze data, and grapple with concepts through mathematical problem sets.

Microeconomic Concepts

- Conceptual Building Blocks: Pareto efficiency and gains from exchange, marginal rate of substitution, opportunity cost, production possibility frontier
- Consumer Theory: utility functions, indifference curves, income and substitution effects
- Producer Theory: production functions, isoquants, returns to scale, technological progress, inputs and labor/capital demand curves, variable/fixed/average cost curves
- Demand and Supply: competitive equilibrium, monopoly/monopsony, producer and consumer surplus, taxes and deadweight loss
- First and Second Fundamental Theorems of Welfare Economics
- Market Failures: externalities, public goods, information and "efficient markets"

Macroeconomic Concepts

- Measuring the Economy
- Fiscal Policy (deficits, public debt, inflation)
- Consumption, saving, and investment; Keynesian multiplier
- Monetary Policy (central banking, interest rates, demand and output, prices and inflation)
- Employment and Unemployment
- Business Cycles
- International Trade
- International Finance (exchange rates, currency crises)

i. Learning Objectives—Skills

1. Ability to use, interpret and manipulate economic indicators
2. Ability to generate and interpret descriptive statistics
3. Ability to mathematically solve basic problems of supply/demand and opportunity cost
4. Ability to explain orally and in writing the economics concepts covered in course

C. ***Economics for International Affairs (Intensive, for Development Concentration)***

The intensive section of this course is intended for development concentration students and is an intensive course that covers basic material of macro and micro economics in one semester. The course meets twice per week.

Critical and engaged inquiry is at the heart of the New School's approach to education. Below are listed a set of primarily neoclassical economics concepts that students should master in this course, but these ideas should be approached with a critical lens, with an emphasis on understanding the underlying assumptions embedded in economic models and theories. Students should be able to utilize and apply the basic building blocks of economic analysis, but should also understand the limitations of these theories, the extent to which stylized models do and do not reflect reality, and the evolving and socio-historically contingent nature of the "science" of economics.

1. Consumer Theory
- Preferences and utility functions, indifference curves, marginal rate of substitution of one good for another
- Optimal choice problem, expenditure minimization problem, constructing a demand curve, revealed preferences
- Income and substitution effects
2. Producer Theory
- Inputs and production functions (isoquants, marginal rate of technical substitution of one factor for another, elasticity of substitution, returns to scale, technological progress)
- Labor and capital demand curves
- Cost curves (variable costs, fixed costs, and average costs)
- Production possibility frontier
- Constrained optimization, cost-minimization
3. Market Structure: Demand and Supply
- Perfectly competitive markets – short-run and long-run supply curves, competitive equilibrium
- Monopoly/Monopsony – determination of production and pricing, welfare implications
- Oligopoly (e.g., Cournot and the Bertrand model)
- Producer and Consumer Surplus
- Taxes
4. General Equilibrium Theory
- Economic efficiency and gains from exchange (Edgeworth box analysis)
- First and second fundamental theorems of welfare economics
- Determining price and output in more than one market simultaneously
5. Market Failures
- Externalities
- Public Goods
- Information Costs and Asymmetric Information
6. Game Theory and Strategic Behavior
- Nash equilibrium, prisoner's dilemma, repeated games, backward induction, commitment
- Risk, expected utility, moral hazard, adverse selection, decision making under uncertainty
7. Measuring income and output; aggregate supply and demand
8. Income-Expenditure Framework: consumption, saving, and investment; Keynesian multiplier

9. The IS/LM Framework: the IS and LM curves; interest rates, aggregate demand, output, and prices; fluctuations in output and employment
10. The open economy: exports and imports, trade, gains from trade, comparative advantage
11. Monetary policy and the money supply

- money and output, price stickiness, inflation
- optimal monetary policy/interest rate rules, inflation targeting, rational expectations
- unemployment and the Phillips curve
- central banking

12. Fiscal policy, deficits, public debt, fiscal policy and inflation
13. Business cycles; the stock market
14. International economic system

- International finance and exchange rates (fixed and floating)
- economic crises and the Int'l Monetary Fund
- currency crises

Learning Objectives—Skills

1. Ability to identify underlying theoretical assumptions and trace how relaxing or changing these assumptions impacts the practical implications of economics theories
2. Facility in utilizing mathematical tools and equations to examine economics principles solve the economics problems
3. Ability to write analytical essays explaining the economics topics covered in the course

RESEARCH METHODS: ***Introductory Research Methods for the Development Concentration (quantitative)***

Training in research methods is critically important for a career in the field of economic development. The two aims of the Research Methods requirement for the development concentration are to give students the skills to engage critically with research in the development field, and to conduct independent research of their own. This requires the learning of four core competencies. First, students examine how empirical research can support, fail to support, or refute particular theoretical claims; and then learn how to determine the best strategies for defining, framing, and pursing different kinds of research questions. Second, students become familiar with a variety of research skills and techniques that can be utilized as appropriate for different research questions. Third, students are encouraged to develop a strong skill set in some form of quantitative research (GIS or statistics), which they can use to conduct impact assessments, program evaluations and policy analysis over the course of their careers. The aim here is to give students a concrete skill set that they will be able to utilize as development practitioners. Fourth, students become critical consumers of other people's research by developing the ability to assess whether a research question is evaluated appropriately and rigorously, and whether the data supports the conclusion derived. All Research Methods courses pay close attention to the advantages and disadvantages of different research strategies, and the kinds of questions that can and cannot be answered through varying methodological approaches.

Learning Objectives—Content & Skills

Different research questions call for different methodologies and approaches. The Introductory Research Methods class first queries the theory/methods interface, and examines how empirical research can support or refute particular theoretical claims; the focus in this section of the course is on how one engages with a topic to determine the best strategies for defining, framing, and pursing a research question. The point is to help students get a grasp on the issue of inquiry, which research methods are there to serve, rather than putting the cart—a particular research method—before the horse—the research question itself. The second aim of this course is to make students familiar with a variety of qualitative and quantitative research approaches and techniques, so they have a broad understanding of the variety of research tools available and a basic grasp of the appropriate application and limitations of each. The third aim of the course is to train students in introductory statistical and quantitative data analysis, including: the utilization and interpretation of descriptive statistics; BLUE, OLS regressions, and normality assumptions; and the distinction between association and causation. This training should make students competent and critical consumers of quantitative research papers, and prepare them to enter directly into the optional Advanced Quantitative Methods Course (described below). The fourth aim of the class is to provide basic training in qualitative field research techniques, including participant observation, structured and unstructured interviews, survey instruments, and archival research. Field research strategies for quantitative research, particularly survey instrument and study design, are covered in Advanced Quantitative Methods. This is NOT a classic "survey course", although a range of topics are covered. It is an intensive critical introduction to research methods, with a focus on teaching students how empirical research can support or refute particular theoretical claims (ways of knowing) by training students in concrete research skills relevant to the economic development field (ways of doing).

1. Understanding of how empirical research can support or refute particular theoretical claims; the focus is on determining the best strategies for defining, framing, and pursing a variety of different kinds of research questions.
2. Basic understanding of and practice with the skills and theory of statistics and quantitative data analysis – including the utilization and interpretation of descriptive statistics; the manipulation and analysis of datasets; and BLUE, OLS regressions, and normality assumptions. This training should comprise approximately 1/4th to 1/3rd of the course, and should prepare students to enter directly into the Advanced Quantitative Methods Course (described below).
3. Familiarity with a variety of qualitative and quantitative research techniques (ethnographies, interviews, archival research, case studies, statistical and other quantitative analysis).
4. Training in field research techniques—strategies for data collection that do not presume the existence of datasets—including participant observation, structured and unstructured interviews, survey instruments, and archival research.
5. An understanding of the applications and limitations of various research methods. For example: When is statistical analysis appropriate versus reductive? When are case studies appropriate and generalizable, versus self-fulfilling products of selection bias?
6. Ability to be critical consumer of both quantitative and qualitative research.

COMPARATIVE DEVELOPMENT EXPERIENCE

Synopsis

This is an introductory course to the study of development. It follows Global Flows in a two course sequence of required courses, and assumes mastery of the economics concepts covered in *Economics for International Affairs*. It focuses primarily on the present and the themes of growth, globalization, democratization, poverty, and inequality that help define today's global challenges. The course covers the major theories and empirical trends. The course is centered on the question: *"Why have some countries at some periods of time succeeded in development more than others; and to probe further, what kind of development do we aspire to?"* The first part of the course focuses on defining development (as a process and a goal) and monitoring its progress as trends. The second part introduces the theories that have been advanced to explain development and examines current debates about policies and strategies.

Development is a field that is characterized by diverse theoretical perspectives. Controversies about essential ends and means as well as empirical trends are a constant feature of academic and policy debates. At the heart of these debates are questions such as: Is development about economic growth, modernization, or expansion of human freedoms and social justice? Is poverty rising or falling, and how should poverty be defined and measured? Is there a trade-off between equity and growth? Is there a trade-off between democracy and development? How important is macroeconomic stability? What is the appropriate role of the state? Is development a linear process?

For students in the Development Concentration, CDE provides a broad, interdisciplinary perspective on development theories and experiences, which should complement <u>but not duplicate</u> the more economically rigorous examination of economic theories of development that are the topic of the Development Economics course. In comparison to the other sections of CDE, the section for development concentration nonetheless covers economic policy approaches more systematically.

Learning Objectives—Content

1. Clearly understand different ways of conceiving of and measuring development.
    a. Conceptual paradigms: Human development (capabilities, basic needs, human rights), traditional economic (growth, gdp per capita), basic needs, sustainability, feminism, post-development.
    b. Measurement: Required – HDI and variants (capabilities); poverty; growth; aggregate and per capita gdp/gni; inequality (within and between countries). Optional – sustainable development; human rights (civil and political, economic and social, e.g., SERF Index); institutional (measures of democracy, voice and accountability, transparency, etc.).
2. Know basic facts of development trends and experiences in Asia, Latin America, Africa, Middle East, North America, and Europe.
3. Explanatory Theories.
    a. This section should emphasize both the theories driving different policies and analytical frameworks, as well as the empirical evidence supporting or refuting these theories.
    b. Classical theories of political-economy (Marx, Smith, etc.)

c. *Long Run Determinants* (in-depth):
    i. Institutions: macro—governance, corruption, democratic accountability, civil and political rights; micro—property rights, contract enforcement and the courts.
    ii. Geography: agricultural productivity, disease burden, access to trade routes, native plants and animals, migration patterns.
    iii. Colonial legacy.
    iv. Ethnic divisions.
    v. Conflict.
d. *Policies and development strategies, and the Theories Underlying Different Policy Prescriptions*:
    i. Role of states versus markets—clear grasp of concepts of state failure and market failure; trade and comparative advantage
    ii. The (East Asian) Developmental State; Export Led Growth; Import Substitution Industrialization; the Washington Consensus; Structural Adjustment; Governance and 'Institution Building'
    iii. Debt and debt crisis, balance of payments, macroeconomic stabilization controversy, structural adjustment, inflation
e. Classic economic theories (very, very basic overview for conceptual paradigms and key ideas only—these economic theories are examined and critiqued in-depth in the Development Economics course): Linear-Stages (Rostow, Harrod-Domar); Structural-Change (Lewis); Dependency Theory; Neoclassical Growth Theory (Solow-Swan); Endogenous Growth Theories

4. Examine relationship between poverty, inequality, growth, and per capita income

Learning Objectives—Skills

1. Ability to analyze and evaluate theories in light of empirical evidence – Is a given theory supported or refuted by the empirical evidence? Does the evidence support a different theory better, less, or about the same?
2. Facility in using quantitative indicators to generate tables, charts and graphs; ability to represent numbers graphically and read and utilize quantitative development measures.
3. Proficiency in conducting country case study and/or sectoral research, and writing analytical papers based on this research of the type that might be required by the World Bank, UNDP, and other governmental and multilateral bodies. This entails both identifying and utilizing authoritative official data sources, and writing appropriately structured, well-organized analytical papers.

DEVELOPMENT ECONOMICS

The aim of the course is to introduce the basic theories of development economics. It focuses on economic growth and its determinants, and on the consequences of growth for poverty and human wellbeing. The course covers: growth models, growth and distribution, demographic transition, education, health, structural transformation and the role of agriculture, employment, international trade, and finance. For each topic the course explores diverse theoretical approaches, both mainstream and heterodox, along with their associated policy implications. While other elective courses cover specific policy challenges of development, this course covers foundational economic theories that help understand those challenges. The course does not take for granted the validity of economic models, but rather examines and critiques the assumptions underlying these models. The course places economic development theories in context, examining them as 'development paradigms' whose ascendance at a given time is a product of socio-political historical moments—current thinking in development economics is not treated as a scientific advance, but rather as historically and socially contingent. This course complements Comparative Development Experience (CDE). While CDE is a broad, interdisciplinary course, this course is about economics. *Intensive Economics* (or the *Micro/Macro Sequence*) for the Development Concentration is a prerequisite.

Learning Objectives—Content

1. History of Development Thought
2. Economic Growth Models: Theory, Assumptions, and Evidence
    a. Linear-Stages (Rostow)
    b. Structural Transformation (Lewis) and the Role of Agriculture;
    c. Neoclassical (Harrod-Domar, Solow-Swan) and Convergence;
    d. Endogenous (New) Growth Theories
3. International Trade: Comparative Advantage, ISI vs. Export-led Growth, Dependency Theory
4. Saving and Investment
5. Human Capital: Education, Health, Gender Issues
6. Economic Growth and Distribution: Inequality, Growth, and Poverty
7. International Capital Flows : FDI, Currency Crises, Balance-of-Payments, Remittances
8. Macroeconomic Policy: Fiscal policy/government budget, monetary policy, Inflation
9. Employment and Unemployment
10. Demographic Transition
11. Institutions (States & Markets) – Free Market Fundamentalism vs. the Developmental State

Learning Objectives—Skills

1. Knowledge of and practice manipulating and utilizing the basic mathematical equations underlying the core theoretical models of development economics (savings and investment rates; optimal rate of inflation; technological change and growth; etc.).
2. Facility in analyzing and utilizing descriptive statistics; ability to generate tables, charts and graphs using quantitative indicators.