Instructor: Professor Meenu Tewari
Room 207, New East
Phone 962-4758
Email: mtewari@unc.edu

Class meets T: 3:30-6:00
Room: New East 301
Office hours: W: 2:00-4:30 pm
or, by appointment.

Course Description

This course critically examines fundamental concepts and theories of economic development, and traces how policy thinking about the development process has evolved over time. Changing global economic trends, and new findings from extensive empirical research over the past two decades have posed several new challenges to our understanding of how regions develop, change, and grow. We will use directed readings, policy debates, and case materials to examine how our current thinking about key development problems—such as economic growth, employment, competitiveness, industrial upgrading, skill formation, the organization of work, and institutional arrangements that sustain innovative development processes—has changed in light of new local and global challenges.

The course has three components. The first introduces students to historical debates about economic development, their policy implications and how they have been applied to issues of local and regional development. The second part examines how these debates have shifted in recent years in response to the emergence of new problems in economic development such as globalization, outsourcing, the rise of the “new competition” and the need for regions and localities to find new ways to adjust and prosper in an uncertain and volatile global economy and in the face of new threats such as a changing climate. How do these new pressures alter normative debates about place, upward mobility and economic progress? How do they change our thinking about economic development theory, policy and practice? What does it mean for regulation and governance of local economies? The third component uses case studies to address some of these questions. It examines some current approaches, models and institutional arrangements that cities and regions are experimenting with to navigate uncertain environments. In this last section will pay particular attention to the implementation challenges of economic programs.

Throughout the course we will employ an institutional lens to understand and interrogate organizations, processes, behaviors and norms – both tacit and formal, that undergird economic development processes. We will address these issues in a comparative, developed-developing country context, drawing on case material from North America, Latin America, Asia, and Europe.
Interwoven with the second and third modules of the course are opportunities to hear from and engage in discussion with visiting researchers and development practitioners.

In sum, then, the core objective of the course is to help you gain a clear understanding of the prominent theories of economic development and how they have evolved over time, and with what consequences for policy and development outcomes on the ground. More importantly, the goal of the course is to help you peel way the layers of orthodox economic development theories to shine a light on the assumptions that undergird them, as well as understand the inner, often hidden, workings of economic development projects and processes. We will ask: what works well and why, what does not work well and why not, in order to move away from homogenizing binaries of -- good vs. bad performance, bottom up vs. top down development, centralized vs. decentralized development, states vs. markets, to instead, build frameworks that help us understand development as a more malleable and contingent process, with multiple, often contradictory, facets. By focusing on the conditions under which particular theoretical propositions hold (or not) allows us to embed theory into reflective and grounded practice. It helps us better understand the institutional forces that may contribute to broad based, locally rooted, inclusive and resilient development some times and in some places, but not in others.

By the end of the course students will be able to:

- **identify** and **compare** prominent theories of economic development;
- **describe** how these theories have evolved over time;
- **understand** the consequences of these theories for policy and development outcomes; and
- **identify** parameters and conditions under which theoretical propositions hold or not in concrete, real world settings.

And together, take a step towards reflective practice.

**Course Organization**

The course will be taught as a seminar, and high levels of class participation are required. After an initial lecture-based stage-setting, the course will proceed in discussion format. Discussion will be centered around cases. Student groups will lead discussion in the second half of class, elaborating, clarifying, critiquing, and applying the theories discussed in class to concrete, contemporary development problems and issues.

Required readings will be posted on Sakai and are available for downloading. Specific readings may be distributed in class. **Please note that I reserve the right to add readings or change some of them as I get to know you and your interests better.**

**Course Requirements**

Students are expected to come to class prepared, having done the assigned readings and ready to
actively participate in class discussions. *More than one unexcused absence will result in a full letter grade reduction.*

Course grades will be based on the following:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active participation in class discussions</strong> involves coming to class prepared to ask good questions and present considered responses to questions raised by others in class. Active participation is a requirement <strong>(15% of the grade)</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Assignment 1:** Ethnography of Development: Analyzing Hidden Success or an Implementation Puzzle: Students will conduct an interview with a development planner to understand a professional ‘surprise.’ The goal of the exercise (detailed in a handout) is to understand how development processes actually work on the ground. This practitioner-interview based 6 page (double-spaced) essay will carry **20% of the grade and is due on 10/2.** The written assignment is accompanied by a short presentation in class.

**Assignment 2:** Short (~2-3 paragraph) reflections on any 5 class-sessions should be posted on the Sakai Forum by the evening before class (latest 6pm). You should choose sessions other than the ones you are leading discussion on. **15% of the grade.** I will read the reflections and may provide brief remarks, but they will not be graded. You earn the full 15% simply by submitting them all.

**Assignment 3:** Leading class discussion for at least one class session on a topic selected out of a list I will circulate in the second week of class. Leading class discussion involves making a 20-30 minute presentation on the pre-selected topic, and bringing in case-based examples to bear on the resource material assigned for the theme. You will also be responsible for circulating discussion questions prior to class and leading discussion for the rest of that session (1 hour total). Please bring a 1-2-page handout to share with the class. **20% of the grade.**

Peer evaluations will contribute towards 5% of the grade for this assignment.

**Assignment 4:** Final Assignment. A 10-15 page, double spaced case-based paper that either builds on the implementation surprise reported on during the ethnography of development interview, or any other example of an economic development innovation, or economic development dilemma, or hidden success in a specific planning context. You can opt to work in groups of two on the paper, or work individually. **The final paper and**
presentation together account for 30% of the grade. The presentation will take place in class on 12/4, and the final paper is due by carried due latest by Sunday, 12/9.

Weights:

1. Active participation in class discussions………………15% of the grade
2. Leading one discussion session……………………..20% (including 5% peer evaluation)
3. Ethnography of Development (an interview based class project – 6 double spaced pages)………20%
4. Short reflections for any 5 class sessions to be posted on Sakai………………15%
5. Final Paper/Case Study………………………………………30%

The UNC Honor Code applies:  https://studentconduct.unc.edu/faculty/honor-syllabus
All your work must be properly referenced. You must provide citations for all ideas that are not your own. Plagiarism will not be tolerated in any form.

Late assignments will be marked down by a half letter grade unless there is a documented emergency.

I expect respectful exchange in class – full participation and collegial discussions.

Guest Speakers

We will be inviting guest speakers to the class. You are invited to suggest names of potential speakers whom you would like to hear. Speakers may be economic development professionals, academic researchers, policy makers, or others with applied knowledge of the field.
Course Outline


Module 1: Markets, States and Institutions: Core Theories of Economic Development and their Evolution

2. 8/28: Efficiency, Specialization and the Division of Labor
3. 9/4: Structural Transformation II: Economic Base Models, Incentives and Recruitment
4. 9/11: Structural Transformation I: Scale, Scope and the Organization of Production
5. 9/18: The New Competition, New International Division of Labor, and the Transformation of Work. Classical, Neo-Classical and Institutional Perspectives

Module 2: Processes, Mechanisms, Organizations, Norms and Networks: Complicating the Received Wisdom

6. 9/25: Agglomeration Economies: Clusters, Production Networks and Global Value Chains
7. 10/2: Class Presentations (Ethnographies of Development)
8. 10/9: Place, Space and Location: Creative Cities and the Creative Class – Displacement or Re-development? – Dr. Eric Chetwynd Guest Lecture in 1st half
11. 10/30: The Ecology of Entrepreneurship and its Spatial Consequences – Dr. Henry McKoy Guest Lecture


12. 11/6: Social Networks, Social Capital and Collective Action
13. 11/13: Bureaucracy, Regulation, and Front Line Workers
14. 11/20: Participation, Decentralization and Partnerships
15. 11/27: New Pressures: Financialization and Adapting to a Changing Climate—Dr. Danielle Spurlock Guest Lecture (TBC)
16. 12/4: Student presentations
Class Schedule and Readings

Introduction

8/21: Introduction and overview

Part I: Why do some places, and communities, grow and thrive while others languish in the face of the same pressures? What is progress? What drives it? What is resilience? What is it based on? What is fairness based on?


Davidson, Adam. 2012. (Planet Money podcast). Why are some countries rich and others poor?
http://www.npr.org/sections/money/2012/03/16/148680705/why-are-some-countries-rich-and-others-poor

Part II: Goals of development: means and ends, economic development versus growth. Assignment 1 handed out.


Module 1: Markets, States and Institutions: Big Questions and the Established Cannon

8/28: Efficiency and Specialization: Division of Labor and Property Rights

Please bring your tablets or laptops for an in-class exercise


Optional

202-205.


9/4: Structural Transformation I: Economic Base Models and Extensions - Intended and Unintended Consequences


Part II: Activity - Causes & Consequences – Intended and Unintended (Short 10 minute presentations by each group on the following readings)


Services - Noyelle, T. 1983. The rise of advanced services: some implications for economic development in U.S. cities. JAPA 49, 280-90


The coordination problem


9/11: Structural Transformation II: Scale and Scope and the Organization of Production: Dualism


Part II: Activity: Debate on the Scale of Production

Large Firms drive growth:
Brown, Charles, James Hamilton, and James Medoff. 1990. Employers Large and

Optional


In Defense of Small and Medium Firms and why they Persist.


Optional


9/18: The New Competition, New International Division of Labor and the Transformation of Work

In class activity: Comparing classical, neoclassical and institutional perspectives on development - A Summary


Optional Resources:


Module 2: Processes, Mechanisms, Organizations, and Networks. Complicating the standard narratives of development

9/25: Agglomeration Economies: Clusters, Global Value Chains and Production Networks


Part II: Cases:


10/2: Ethnography of Development: Presentations of your Interviews in Class
Assignment 1 due in class.

10/9: Place, Space and Location: Creative Cities and the Creative Class. Eric Chetwynd guest lecture in first half.


Mary Donegan AICP, Joshua Drucker AICP, Harvey Goldstein AICP, Nichola Lowe AICP & Emil Malizia AICP (2008) Which Indicators Explain Metropolitan Economic Performance Best? Traditional or Creative Class, Journal of the American Planning Association, 74:2, 180-195, DOI: 10.1080/01944360801944948 To link to this article: http://dx.doi.org/10.1080/01944360801944948


Peck, Jamie. “Struggling with the Creative Class.” International Journal for Urban and Regional Research.


Optional Resources


10/23: Informality and the rule of law

10

Pires, Roberto NY Day labor

Razzaz, Omar (Added to Sakai)

Part II: Guest Lecture: Sara VanLear, Research Triangle Institute (TBC)

10/30: The Ecology of Entrepreneurship and its Spatial Consequences – Dr. Henry McKoy Guest Lecture

State of Things. July 7, 2017. Interview with William Darity. Why are some people rich and others poor?  
http://wunc.org/post/busting-myth-american-dream-meet-william-darity#stream/0


Optional Cases (Resources):


LAANE case study.


The less visible aspects of how things actually work.

11/6: Social Networks, Social Capital and Collective Action


(Optional Resources)


11/13: Governance: Bureaucracy, Regulation and Front Line Workers


Lipsky, Mchael. Street Level Bureaucracy. Chapters TBA.


Resources/Cases:

Salo Coslovsky. Development without preconditions. The Case of Brazil-nut exports. World Development.


11/20: Decentralization, Participation and Partnerships (public private partnerships; collective action and cross-class alliances)


11/27: The New Pressures: Financialization (The Hidden Crisis of Public and Corporate Legitimacy) and Climate Change

Batt and Appelbaum 2013 on Financialization (posted on Sakai) [required]


Sai Balakrishnan and Katharina Pistor, “Financialization, reorganizing voice and rescaling boundaries,” Unpublished memo, pp. 7-12 (land-based financing of metro projects)

Optional


12/4: Student presentations