

William & Mary: Spring 2023 Syllabus

ECON 300 (COLL300): Emerging Cities, Migration, and Informality

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Lecture Time: TTR 12:30:00-1:50pm, Chancellors 123

Office Hours: MW 2:30-4:0pm or by appointment

Course Description

Urbanization and economic prosperity have long been strongly correlated. In the context of developed countries, urbanization was underpinned by economic structural transformation and rapid growth in productivity and wages. Urbanization in developing countries, however, has been occurring at a much faster rate relative to that of developed countries, and cities in developing countries remain vastly different from that of developed countries. While cities in a few developing countries have become engines of growth with export-oriented manufacturing and modern services, others continue to experience urbanization without growth. This has led to congested cities with high unemployment rates, large informal sector and high proportion of slum dwellers. As the share of the world population living in cities continues to rise, the above-mentioned features will have important implications for poverty reduction, public health as well as political stability.

This course is designed to help students understand the nature and drivers of urbanization around the world and implications for socioeconomic development. It is organized in three parts. Part I starts with urbanization in developed countries and its relationship with structural transformation and rural-urban migration. We will then compare this with the nature and determinants of urbanization in developing countries. Special attention will be given to the dynamics of cities powered by high-value commodities versus cities thriving on the back of manufactured exports and modern services. We conclude Part I by recognizing the relative importance of rural-urban migration and natural population growth for rapid urbanization in some parts of the developing world. Part II examines the informal sector in developing countries. We will address competing explanations regarding the role of the informal sector ranging from a more ‘parasitic’ perspective to that of a hotbed of entrepreneurship. Part III examines the determinants of migration and the characteristics of migrants where we address the cost of migration and the role of migrant networks. While the focus is on internal migration, we will also discuss some aspects of international migration.

This course allows students to fulfill their COLL 300 requirements. The objective of the COLL 300 curriculum is to expose students to major global issues (in this case urbanization) that have been experienced differently in various parts of the world. The course aims to achieve this objective in three different ways. First, students will watch a documentary video entitled “Slums: Cities of Tomorrow” that examines slums and slum dwellers from around the world. Second, I have invited Dr. Harris Selod of the World Bank – with extensive scholarship and policy experience in urbanization in developing countries – to be the 1st guest speaker. His visit is

scheduled for March 9th. Third, I have invited Prof. Tanner Regan of George Washington University as the 2nd guest speaker. Prof. Regan has an impressive scholarship on urbanization and he will be visiting campus on May 2nd. Students will write three reflection papers based on the documentary film and the two guest lectures to fulfill the COLL 300 requirement. As you know, the basic idea behind COLL 300 courses is to “disorient” students in a productive way, similar to what study abroad programs would do, and to challenge you to make connections – through the *Reflection Paper* assignments – with the contents of the course. In the process, you will develop your critical thinking and reshape/enhance your world view about people and places.

Prerequisites and Course Assessment

This course requires principles of microeconomics and basic statistics.

Students will take two midterm exams each with a 20% weight in the final grade. There will also be a noncumulative final exam of 20% weight. Other evaluations include three COLL 300 reflection papers with a collective 25% weight based on the video “Slums: Cities of Tomorrow” and lectures by the two guest speakers. Pursuant with the COLL300 curriculum, the reflection papers are mandatory and **you will not be able to complete** this course if you don’t submit all three reflection papers. Students will also produce a country profile addressing urbanization in two countries of their choice – one developed and one developing – based on statistical data from the latest (2018) version of the United Nations’ World Urbanization Prospects <https://population.un.org/wup/>. Student participation will account for 10% of your final grade and will involve class attendance, serving as a discussant and taking part in class discussions and questions. Further instructions will be given in due course on the country profile and reflection papers. Table 1 provides a summary of assessment types, weights and due dates.

I normally don’t adhere to very hard pre-determined cutoff points to assign final letter grades. However, students who consistently score 92% and above are strong contenders for an “A” while students who score in the 80-87% range would get a “B” with students in the high 80s and lower 90s will be considered for a “B+” or “A-”. Students who on average score in the 70-79% range can expect a “C” while students in the 60-69% range can expect to get a “D”. Having said that, students who start slow but show significant improvements over time in their performance will be considered for a higher grade than their overall average may dictate.

I allow two days of absence from class without having to provide excuses. However, these unexcused absences may not be consecutive to each other and cannot be taken on designated dates for exams and assignments. I expect all students to take exams and return assignments at the designated times indicated in Table 1. I do not reschedule exam dates. However, if you miss a midterm exam, the full weight (and topics of the missed exam) can be shifted to your other exams.

If, in rare cases, I cannot conduct in-person teaching, I may temporarily resort to virtual learning on Zoom.

Table 1: Summary and Schedule of Course Assessment

Assessment Type	Weight	Due Dates
Country Profile – UN-WUP	5%	Feb 10 th
COLL 300 Reflection paper I	7%	Feb 17 th
Midterm Exam I	20%	Mar 2 nd
COLL 300 Reflection paper II	9%	Mar 21 st
Midterm Exam II	20%	Apr 13 th
COLL 300 Reflection paper III	9%	May 5 th
Class Participation	10%	
Final Exam	20%	TBD

Please mark 02/03 and 03/27 as deadlines for Add/Drop and withdrawal, respectively.

Mental and Physical Well-Being:

William & Mary recognizes that students juggle different responsibilities and can face challenges that make learning difficult. There are many resources available at W&M to help students navigate emotional/psychological, physical/medical, material/accessibility concerns, including:

The W&M Counseling Center at (757) 221-3620. Services are free and confidential.

The W&M Health Center at (757) 221-4386.

For additional support or resources & questions,

Contact the Dean of Students at 757-221-2510.



For other resources available to students, see <https://tinyurl.com/wmentalhealth> or:

Course Outline and Readings

There are no textbooks for this course, and we rely mainly on published academic articles and working papers. The readings listed below will be made available to you in PDF format on Blackboard. Please visit the “Readings” folder in the course content area of Blackboard.

Introduction – January 26

Part I: Urbanization and Structural Transformation: Comparing Developed and Developing Countries

Urbanization and Structural Transformation in Developed Countries: (*Weeks of 01/30 and 02/06*)

- Michaels, G., F. Rauch and S. Redding. 2012. “Urbanization and Structural Transformation,” *Quarterly Journal of Economics* 127, 535-586
- Alvarez-Cuadrado, F., and M. Poschke. 2011. “Structural change out of agriculture: Labor push versus labor pull,” *American Economic Journal: Macroeconomics* 3, 127–158.

Due date for Country Profile – Feb 10th

Urbanization and Structural Transformation in Developing Countries (*Weeks of 02/13 & 02/20*)

- Henderson, V. and M. Turner. 2020. “Urbanization in the Developing World,” *Journal of Economic Perspectives* 34, 150-173.
- Gollin, D., R. Jedwab and D. Vollrath . 2016. “Urbanization with and without Industrialization,” *Journal of Economic Growth* 21, 35-70
- Fay, M. and C. Opal. 2000. “Urbanization without growth: A not-so-uncommon phenomenon,” The World Bank Policy Research Working Paper Series 2412.

Due date for First Reflection Paper – Feb 17 (Based on Documentary Film “Slums: Cities of Tomorrow”)

Population Growth and Urbanization in Developing Countries (*Week of 02/27 and 03/06*)

- Castells-Quintana, D. and H. Wenban-Smith. 2020. “Population Dynamics, Urbanisation without Growth, and the Rise of Megacities,” *Journal of Development Studies* 56, 1663-1682.
- Jedwab, R., Christiaensen, L., & Gindelsky, M. 2017. Demography, urbanisation and development: Rural push, urban pull and ... urban push? *Journal of Urban Economics*, 98, 6–16.

First Midterm Exam March 2nd

Guest Lecture by Dr. Harris Selod – March 9

Spring Break: March 11-19

Due Date for Second Reflection Paper - March 21 (Based on Dr. Selod’s lecture)

Continued Discussion on Population Growth and Urbanization (Week of 03/20)

Part II: Urbanization and Informal Labor Markets in Developing Countries

Informality and Economic Development (*Week of 03/27*)

- La Porta, R., and A. Shleifer . 2014. “Informality and Development,” *Journal of Economic Perspectives* 28, 109-126.
- Farrell, D. 2004. “The Hidden Dangers of the Informal Economy,” *McKinsey Quarterly* 3: 27-37.

Informality, Trade and Regulation (*Week of 04/03 and 04/10*)

- Dix-Carneiro, R. and B. Kovak. 2017. “Trade Liberalization and Regional (labor market) Dynamics,” *American Economic Review* 107, 2908-2946.
- Almeida, Rita and Pedro Carneiro. 2012. “Enforcement of Labor Regulation and Informality,” *American Economic Journal: Applied Economics* 4(3): 64-89.
- **Harris, J. and M. Todaro. 1970. “Migration, Unemployment and Development: A Two-Sector Analysis,” *American Economic Review* 60, 126-42.

Second Midterm Exam: 04/13

Part III: Characterizing Migrants and Migration

Migration, Income and Networks (*Week of 04/17*)

- Bazzi, S. 2017. “Wealth heterogeneity and the income elasticity of migration,” *American Economic Journal: Applied Economics*, 9(2), 219–255.
- McKenzie, D., & H. Rapoport. 2010. “Self-selection patterns in Mexico-U.S. migration: The role of migration networks,” *Review of Economics and Statistics*, 92(4), 811–821.
- Angelucci, M. 2015. “Migration and Financial Constraints: Evidence from Mexico,” *Review of Economics and Statistics*, 97(1), 224–228

Migration and Insurance (*Week of 04/24*)

- Munshi, K., & M. Rosenzweig. 2016. “Networks and misallocation: Insurance, migration, and the rural-urban wage gap,” *American Economic Review*, 106(1), 46–98.
- Hirvonen, K. 2016. “Temperature changes, household consumption, and internal migration: Evidence from Tanzania,” *American Journal of Agricultural Economics*, 98(4), 1230–1249.

Guest Lecture by Prof. Tanner Regan – May 2nd

Review Session: 05/04

Due date for 3rd Reflection Paper 05/05 (Based on Prof. Regan’s lecture)