

Syllabus
10591 - Tourism in Developing Countries
2009/2010 Master in Tourism and Environmental Economics
Professor: Jose Luis Groizard; Office hours: Mon 12:13h and 15:16h;
jose Luis.groizard@uib.es

Abstract

Travel and tourism industry is an export activity that can bring significant contributions to the poor's welfare and to the transformation of developing countries. The diversity of the poor countries in the world is much wider and sharper than that of the rich countries in terms of social, geographic and institutional heterogeneity. This course will provide a selective benchmark to capture the broad contours of this diversity of the development experience and will be illustrative on how tourism can improve or deteriorate many of the problems that individuals, households and countries face in the developing world.

1 Assignments

1. One referee report on an unpublished paper suggested by the reading list or by the instructor -to be given- (30 percent). Each referee report should be 2-3 pages double-spaced. The report should start off with a one paragraph summary of the main argument of the article. You should describe your main 3-4 points in detail as if you were writing directly to the author. Conclude the report with more minor comments. A good referee report not only clearly states the shortcomings of the work, but also lays out detailed - and realistic - suggestions for improvement.
2. Two problem set (30 percent).
3. One research proposal, 7-8 pages double spaced (40 percent). The research proposal should briefly (3-4 pages) survey an existing literature in Development Economics, and then describe how tourism might have a role in explaining or solving a problem. All students must meet with me (in office hours) to discuss their research proposal by the third week. The proposal is due April 30th.

2 Required textbook

Bardhan, P. and Udry, C. (2000), 'Development Microeconomics', Oxford University Press.

3 Reading list by topic

1. Introduction

- Sinclair, T.M. (1998), 'Tourism and Economic Development: A Survey', *Journal of Development Studies*, 34(5), pp. 1-51.

2. Household Economics

- Bergstrom, T.C. (1997), 'A Survey of Theories of the Family', in M.R. Rosenzweig and O. Stark (eds.), *Handbook of Population and Family Economics I(A)*. Amsterdam: Elsevier Science.
- Strauss, J. and Thomas, D. (1995), 'Human Resources: Empirical Modeling of Household and Family Decisions', in J. Behrman and T.N. Srinivasan (eds.), *Handbook of Development Economics III(A)*. Amsterdam: Elsevier Science.

3. Human capital and income distribution

- Kremer, M. and Glewwe, P. (2005), 'Schools, Teachers, and Education Outcomes in Developing Countries', in *Handbook on the Economics of Education*. Amsterdam: Elsevier Science.
- Ljungqvist, L. (1993), 'Economic Underdevelopment: The Case of a Missing Market for Human Capital', *Journal of Development Economics*, 40, pp. 219-239.

4. The Dual Economy

- Harris, J. and M. Todaro (1970), 'Migration, Unemployment and Development: A Two-Sector Analysis', *American Economic Review*, 40, pp. 126-142.
- Ranis, G. and Fei, J. (1961), 'A Theory of Economic Development', *American Economic Review*, 51, pp. 533-565.

5. Intersectoral Complementarities and Coordination Failures

- Murphy, K.M., Shleifer, A. and Vishny, R. (1989), 'Industrialization and the Big Push', *Journal of Political Economy*, 97, pp. 1003-1026.
- Rodriguez-Clare, A. (1996), 'The Division of Labor and Economic Development', *Journal of Development Economics*, 49, pp. 3-32.

6. Trade and Development

- Chen, L.L. and Devereux, J. (1999), 'Tourism and Welfare in Sub-Saharan Africa: A Theoretical Analysis', *Journal of African Economies*, 8(2), pp. 209-227. (optional)
- Copeland, B.R. (1991), 'Tourism, Welfare and De-industrialization in a Small Open Economy', *Economica*, 58, pp. 515-529.
- Ocampo, J.A. (1986), 'New developments in trade theory and LDCs', *Journal of Development Economics*, 22(1), pp. 129-170.
- Venables, A. (1996), 'Trade policy, cumulative causation, and industrial development', *Journal of Development Economics*, 49(1), pp. 179-197.

7. Planning