Course Description
This course provides students with an in-depth exposure to the microeconomic issues facing developing countries. The emphasis here is on understanding the determinants of economic growth and development, as well as the economic institutions that shape economic behavior in developing countries. Topics covered in detail in this course include theories of economic development, economic growth, population and migration, credit markets, education, and the role of institutions. Some of the questions we will investigate include why some countries are poor and how living standards can be improved in the developing world.

Requirements for Undergraduate Students
A. Class Attendance and Participation in class discussions (5%)
B. Two in-class exams (midterm (20%) and final exam (35%)
C. 3 Problem Sets (15%)
D. Term paper (25%)

Course Readings: All required readings for the course are available at the bookstore.

- Todaro and Smith Economic Development, Edition 10
- Easterly, William The Elusive Quest for Growth 2002
- Abhijit, Banerjee and Duflo, Esther, Poor Economics 2012

Additional Readings
The reading list also includes academic papers and working papers. Electronic copies will be available on the course website. Additional readings from the following texts will be available on reserve

Weil, David Economic Growth Pearson/Addison Wesley 2004
Sen, Amartya Poverty and Famines Oxford University Press 1988

Course Policies:
Problem Sets are due on the dates listed in the course syllabus. No late problem sets will be accepted.

Make-Up Examinations: No make-up examinations will be scheduled except under highly unusual circumstances. Please let me if you know in advance that you have an unavoidable conflict.
1. THE MEANING OF ECONOMIC DEVELOPMENT

August 20: Overview of the Course
   Todaro Smith, Development Economics, Chapters 1 and 2
   Poor Economics, Forward and Chapter 1

August 22: Introduction to Economic Development and Growth
   Todaro Smith, Development Economics, Chapters 1 and 2
   Weil, Economic GrowthChapter 2
   Easterly, Chapter 1

2. THEORIES OF ECONOMIC GROWTH

August 27: Growth Theories 1: The Harrod-Domar Model and The Solow Growth Model
   Todaro, Development Economics, Chapters 3 and 4
   Weil, Economic Growth Chapter 3
   Easterly, Chapters 2, 3 and 8

August 29: The New Growth Theories:
   Todaro, Development Economics, Chapters 3 and 4
   Weil, Economic Growth Chapter 3
   Easterly, Chapters 8 and 9

3. POVERTY AND INEQUALITY

Problem set 1 due Sept 3rd

September 3: Measuring Poverty, Deprivation, and Human Development
   Todaro, Development Economics, Chapter 5
   Poor Economics, Chapter 2

   Sen, Amartya Poverty and Famines Chapters 1-3
   Dreze and Sen, Hunger and Public Action Chapter 13

September 5: Measuring Inequality
   Todaro, Development Economics, Chapter 5
   Additional Readings will be assigned
   The Economist, More or Less Equal, March, 2004
   Ravallion's Response to the Economist, April, 2004
4. AGRICULTURE IN DEVELOPING COUNTRIES

September 10: Agricultural Household Models
   Todaro, Chapter 9
   Singh, Inderjit, Lyn Squire and John Strauss. 1986. Agricultural Household Models, Chapters 1 and 2 (on reserve)

September 12: Land Markets: Theories of Sharecropping and Tenancy
   Todaro, Chapter 9

September 17: Land Markets: Theories of Sharecropping and Tenancy
   Todaro, Chapter 9

September 19: Risk and Insurance
   Ray, Development Economics. Chapter 15

5. POPULATION GROWTH AND MIGRATION

September 24: Population Growth and Economic Development
   Todaro, Development Economics. Chapters 6&7
   Easterly, Chapter 5

Problem Set 2 due September 26th

September 26: Rural and Urban Linkages, Models of Migration
   Todaro, Development Economics. Chapters 6&7
   Lewis W.A. Economic Development with Unlimited Supplies of Labor
   Manchester School of Economic and Social Studies
   http://www.fordham.edu/iped/ecga5015/l54.pdf

October 1: Remittances from Migration
   SSRC Anthology
   http://essays.ssrc.org/remittances_anthology/?page_id=3

October 3: Fertility
   Debraj Ray, Chapters 9 and 10

OCTOBER 10: MID TERM EXAM
6. **CREDIT MARKETS**

October 8:  
**An Overview of Rural Credit Markets**  
Debraj Ray, *Development Economics* Chapters 14  
*Poor Economics*, Ch 7

October 10:  
**Credit Market Imperfections**  
Debraj Ray, *Development Economics* Ch. 14  
*Poor Economics*, Ch 7

**OCTOBER 14-15: IUPUI FALL BREAK**

October 15:  
NO CLASS (Fall Break)

7. **HUMAN CAPITAL AND DEVELOPMENT POLICY**

October 17:  
**Alternative Credit Policies: Microfinance**  
Morduch, Jonathan *The Microfinance Promise* [www.jstor.org](http://www.jstor.org)  

October 22:  
**The Role of Education in Development**  
Todaro, Chapter 8  
Weil, Ch. 6

**PROBLEM SET 3 DUE OCT**

October 24:  
**Education and Growth: Additional Issues**  
William Easterly, Chapter 4

October 29:  
**Health, Nutrition, and Economic Development**  
Weil, Ch. 6  
*Poor Economics*, Chapter 3

October 31:  
**The Role of Gender**  
Ray, pp 279-288  
8. THE ROLE OF INSTITUTIONS AND POLICY

November 5: Institutions, History and Geography
Easterly, 11
Poor Economics, Chapter 6

November 7: Understanding Development Traps: Resource Traps and Conflict Traps
Easterly, Chapters 11 and 12

November 12: IN-CLASS PRESENTATIONS

November 14: IN-CLASS PRESENTATIONS

November 19: IN-CLASS PRESENTATIONS

November 21: The Role of Institutions
Collier, Chapters 5 and 11

**BREAK NOV 27th – DEC 1st**

Dec 3rd: CLASS PAPERS DUE

December 3: Development Policy: Debates and New Directions
Easterly: Can the West Save Africa? *Journal of Economic Literature*
Poor Economics, Ch 10

December 5: IN-CLASS FINAL EXAMINATION