SYLLABUS

ECONOMIC DEVELOPMENT
E3337 (3 CR) FALL 2009, TTH 3:00-4:15PM BS 30II

Professor Una Okonkwo Osili
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Office Hours: MW: 4:15-5:15 pm and by appointment
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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 are some countries poor and how can living standard be improved in the developing world.

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

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

- Todaro, Economic Development
- Easterly, William The Elusive Quest for Growth: Economists’ Adventures and Misadventures in the Tropics 2001
- Collier, Paul The Bottom Billion. Why the Poorest Countries are Failing and What Can Be Done About It Oxford University Press. 2007

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.
THE MEANING OF ECONOMIC DEVELOPMENT

August 27: Overview of the Course
Todaro, Economic Development Chapters 1 and 2
Collier, The Bottom Billion Chapter 1

September 1: Introduction to Economic Development and Growth
Todaro, Economic Development Chapters 1 and 2
Weil, Economic Growth Chapter 2
Easterly, Chapter 1

2. THEORIES OF ECONOMIC GROWTH

September 3: Growth Theories I: The Harrod-Domar Model and The Solow Growth Model
Todaro, Chapters 3 and 4
Weil, Economic Growth Chapter 3
Easterly, Chapters 2, 3 and 8

September 8: The New Growth Theories
Todaro, Chapters 4
Weil, Economic Growth Chapter 3
Easterly, Chapters 8 and 9

3. POVERTY AND INEQUALITY

10: Measuring Poverty, Deprivation, and Human Development
Todaro, Chapter 5
Sen, Amartya Poverty and Famines Chapters 1-3
Dreze and Sen, Hunger and Public Action Chapter 13

September 15: (PROBLEM SET 1 DUE IN CLASS)

15: Measuring Inequality
Todaro, Chapter 5
Additional Readings will be assigned
The Economist, More or Less Equal, March 11th, 2004
Ravaillion’s Response to the Economist, April 7th, 2004

4. AGRICULTURE IN DEVELOPING COUNTRIES

September 17: Agricultural Household Models
Todaro, Ch 9
Ray, Development Economics. Chapters 11 and 12 (optional)
Singh, Inderjit, Lyn Squire and John Strauss. 1986. Agricultural Household Models, Chapters 1 and 2 (on reserve)

September 22: Land Markets: Theories of Sharecropping and Tenancy
Todaro, Ch 9
Ray, Development Economics. Chapter 12

September 24: Land Markets: Theories of Sharecropping and Tenancy
Todaro, Ch 9
Ray, Development Economics. Chapter 12

September 29: Risk and Insurance
Ray, Development Economics. Chapter 15

OCTOBER 1: (PROBLEM SET 2 DUE IN CLASS)

5. POPULATION GROWTH AND MIGRATION
October 1: Population Growth and Economic Development
Todaro. Chapters 6, 7
Easterly, Chapter 5

October 6: Rural and Urban Linkages, Models of Migration
Todaro. Chapters 6, 7, 9
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

8. Fertility
Todaro. Chapters 6, 7, 9

OCTOBER 13: MID TERM EXAM

6. CREDIT MARKETS

October 15: An Overview of Rural Credit Markets
Debraj Ray, Development Economics Chapters 11, 12 and 14

20: Credit Market Imperfections
Debraj Ray, Development Economics Ch. 14

October 22: Alternative Credit Policies: Microfinance
Morduch, Jonathan The Microfinance Promise**www.jstor.org
(Journal of Economic Literature Volume 37 December, 1999 pp. 1569-1614)

7. **HUMAN CAPITAL AND DEVELOPMENT POLICY**

October 27: **The Role of Education in Development**
- Todaro, Ch. 8
- Weil, Ch. 6

29: **Education and Growth: Additional Issues**
- William Easterly, Chapter 4

**NOVEMBER 3: PROBLEM SET 3 DUE IN CLASS**

November 3: **Health, Nutrition, and Economic Development**
- Todaro, Ch 8
- Weil, Ch. 6

November 5: **The Role of Gender**

8. **THE ROLE OF INSTITUTIONS AND POLICY**

November 10: **Institutions, History and Geography**
- Todaro, Ch 9, 11
- Collier, Ch 5

November 12: **Understanding Development Traps: Resource Traps and Conflict Traps**
- Collier, Chapters 2 and 3
- Easterly, Chapters 11 and 12

November 17: **IN-CLASS PRESENTATIONS**

November 19: **IN-CLASS PRESENTATIONS**
November 24: IN-CLASS PRESENTATIONS

THANKSGIVING BREAK

December 1: IN-CLASS PRESENTATIONS

DECEMBER 3: TERM PAPERS DUE

December 3: The Role of Institutions
    Collier, Chapters 5 and 11

December 8: Development Policy: Critical Issues and New Directions
    Easterly: Can the West Save Africa? Journal of Economic Literature
    Collier, Chapters 7 and 11
    Todaro, Chapter 17

December 10: IN-CLASS FINAL EXAMINATION