



ECON 450
Development Economics
Spring 2019

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Time and Location: Mondays/Wednesdays 02:00-03:20 209 DKH

Office Hours: Mondays 03:30-05:00 DKH Basement

Course Description: This course aims to analyze the economic problems associated with newly developing nations; emphasize their economic structures, their factor scarcities, and their programs for development.

Prerequisites: ECON 102 and ECON 103 or equivalent. ECON 302 strongly recommended.

Credit Hours: 3

Recommended Readings:

1. *Economic Development*, Michael P. Todaro and Stephen C. Smith 12nd Edition, Ed. Pearson
2. *The Elusive Quest for Growth*, William Easterly, The MIT Press
3. *Poor Economics: a radical rethinking of the way to fight global poverty*, Abhitjit V. Banerjee and Esther Duflo, New York: PublicAffairs
4. *Development Economics*, Debraj Ray, Princeton University Press.

Course Objectives:

At the completion of this course, students will be able to:

1. Develop analytic skills while broadening their perspectives of the wide scope of the field
2. Draw independent conclusions as they confront development problems, their sometimes ambiguous evidence, and real-life development policy choices – ultimately to play an informed role in the struggle for economic development and poverty alleviation.
3. Understand real conditions and institutions across the developing world.

Grade Distribution:

Class Participation	5%
Project	15%
Quizzes	10%
Homework Assignments	10%
Midterm Exam 1	20%
Midterm Exam 2	20%
Final Exam	20%

Extra-Credit Opportunities: Write 2-page summaries of selected papers. Summaries must be turned in **before** class starts. Students may earn up to 5% of the final grade.

Letter Grade Distribution:

97.00 - 100.00	A+	73.00 - 76.99	C
93.00 - 96.99	A	70.00 - 72.99	C-
90.00 - 92.99	A-	67.00 - 69.99	D+
87.00 - 89.99	B+	63.00 - 66.99	D
83.00 - 86.99	B	60.00 - 62.99	D-
80.00 - 82.99	B-	<= 59.99	F
77.00 - 79.99	C+		

Course Policy

Exams are closed book, closed notes. There will be NO makeup assignments and exams. Exceptions may apply only under special conditions defined in the Code of Policies and Regulations Applying to All Students, Section 34. Late assignments will not be accepted.

Attendance/Participation Policy

According to the UIUC student code, Regular class attendance is expected of all students at the University. Please see details at http://admin.illinois.edu/policy/code/article1_part5_1-501.html. Students participation is encouraged.

Academic Integrity

Please be aware that the consequences for plagiarism or other forms of academic dishonesty will be severe. Students who violate university standards of academic integrity are subject to disciplinary action, including a reduced grade, failure in the course, and suspension or dismissal from the University. Please review and reflect on the academic integrity policy of the University of Illinois, http://admin.illinois.edu/policy/code/article1_part4_1-401.html to which we subscribe.

Statement of Inclusion

<http://www.inclusiveillinois.illinois.edu/chancellordivstmtswf.html#ValueStmt>

As the states premier public university, the University of Illinois at Urbana-Champaigns core mission is to serve the interests of the diverse people of the state of Illinois and beyond. The institution thus values inclusion and a pluralistic learning and research environment, one which we respect the varied perspectives and lived experiences of a diverse community and global workforce. We support diversity of world views, histories, and cultural knowledge across a range of social groups including race, ethnicity, gender identity, sexual orientation, abilities, economic class, religion, and their intersections. I value diversity within the environment of the classroom. If you feel you were disrespected in any way according to your beliefs, social status, culture, religion, sexual preference, or any other type of discrimination, feel free to contact me. I am always open to help students to thrive and achieve academic success. The University of Illinois' Office of Inclusion and Intercultural Relations provides support for any issues you face.

Accessibly Statement

To obtain accessibility-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES you may visit 1207 S. Oak St., Champaign, call 333-4603 (V/TTY), or e-mail a message to disability@uiuc.edu.

Tentative Course Outline:

Schedule and readings subject to change.

Part 0: Basics

1. INTRODUCTION

Readings: Todaro and Smith (chapter 1)

2. STATISTICS BACKGROUND

Readings: Mostly Harmless Econometrics (chapters 1 and 2)

Part I: Principles and Concepts

1. COMPARATIVE ECONOMIC DEVELOPMENT

Readings: Todaro and Smith (chapter 2), Easterly (chapters 2 and 3)

2. THEORIES OF ECONOMIC GROWTH AND DEVELOPMENT

Readings: Todaro and Smith (chapters 3 and 4), Easterly (chapter 8)

Part II: Topics – Problems and Policies

1. POVERTY, INEQUALITY AND DEVELOPMENT

Readings: Todaro and Smith (chapter 5), Banerjee and Duflo (chapters 1 and 2)

2. POPULATION GROWTH AND ECONOMIC DEVELOPMENT

Readings: Todaro and Smith (chapter 6), Easterly (chapter 5)

3. HUMAN CAPITAL AND ECONOMIC DEVELOPMENT

Readings: Todaro and Smith (chapter 8), Easterly (chapter 4), Banerjee and Duflo (chapters 3, 4, 5)

4. AGRICULTURAL TRANSFORMATION AND RURAL DEVELOPMENT

Readings: Todaro and Smith (chapter 9)

5. ECONOMICS OF DISCRIMINATION

Readings: Lecture Notes