

Economics 381 – The Economics of Development

Administrative details

Instructor: Amanda J Felkey (email: felkey@lakeforest.edu)

Office: 419 Young Hall

Office hours: M, W noon-2pm, or by appointment.

Class time: M, W 2:30-3:50pm

Class Location: 417 Young Hall

Midterm: Wednesday, 11.October 2006, in class

Final Exam: Friday, 8.December 2006, 1:30-4:30 pm

***This syllabus and additional course materials will be posted on moodle.*

Course Description

This course is designed to provide students with a broad overview of economic growth and development. It will focus on the theory of development economics, theory from other fields as it has been applied to developing countries and the issues of measurement and definitions in development economics.

Generally, this course examines why some countries persistently fail to achieve high levels of growth, and the implications of this for individual well-being. Some of the questions that we will investigate include: Why do the poor in low-income countries under-invest in human capital? What are the constraints on the efficient functioning of markets in these countries? Can public policy be used to improve the functioning of these markets, and thereby accelerate growth? What constrains policy decisions in low-income countries? An important aim of this course is to teach you how to use both the theoretical and empirical tools of economics to investigate these questions.

Text and Readings

The text for this class is Debraj Ray's *Development Economics* (ISBN 0-691-01706-9). You are responsible for the material in the assigned chapters with particular emphasis on the material discussed in class. There may also be additional readings distributed in class throughout the semester. Finally, some lectures may include material from recent field articles. You will be responsible for all these materials.

Grading

Your grade will be comprised of five elements—problems sets, two exams, a group project and class participation. The breakdown of how each will count toward your final class grade is as follows.

Problems Sets (6)	20%
Midterm Exam	20%
Final Exam	20%
Group Project	30%
Participation	10%

Problem sets will be assigned approximately every two weeks—for a total of six problem sets. They will be handed out in class one week prior to the day they are due. All problems sets are to be handed in at the beginning of the class period (or before) on the day this syllabus indicates they are due—NO EXCEPTIONS. Twenty percent of your grade will be the average of your five highest problems set scores. This means you can do only five if you choose, or drop your lowest score if you turn in all

six. You may work on these in groups, but each individual needs to turn in their own problem set in their own words.

Date	Homework
11.Sept	Problem Set #1 Due
20.Sept	Problem Set #2 Due
2.Oct	Problem Set #3 Due
25.Oct	Problem Set #4 Due
6.Nov	Problem Set #5 Due
20.Nov	Problem Set #6 Due

The midterm exam will held **in class on Wednesday, 11.October 2006**. The final exam is scheduled for **1:30-4:30 pm on Friday, 8.December 2006**, during the exam period. These dates and times are carved in stone!

The group project is an opportunity for you and your fellow students to become more familiar with development issues in a specific part of the world. It will have two components: (1) an in class presentation and (2) a group paper. The in class presentation will give you an opportunity to hone your public presentation skills. And the group paper will be an additional opportunity for you to display your ability to apply the development theory you learn throughout the semester and draw conclusions about the development issues facing a particular region of the world. The group presentations are scheduled for 27and 29.November and 4.December. Details about this project and specifics on how it will be graded will be handed out in class, in the beginning of October.

Participation is based on attendance, contribution to class discussions and lectures and involvement in the group project. It is awarded at my discretion.

Topics Covered (Textbook Chapters)

- Introduction to economic development (Ch. 1 & 2)
- Economic Growth (Ch. 3 & 4)
- Industrialization & Structural Transformation (Ch. 5)
- Poverty Traps
- Inequality—Measurement & Relevance (Ch. 6 & 7)
- Household Decision-making
- Income & Nutrition (Ch. 8)
- Population/Fertility (Ch. 9)
- Education/Child Labor
- Rural & Urban (Ch. 10)
- Land & Labor (Ch. 11, 12 &13)
- Credit & Insurance Markets (Ch. 14 & 15)
- Trade (Ch.16, 17 & 18)