This course is a survey of development economics. It can be counted towards a minor in Asian Studies, Black Studies, Peace and Conflict Studies, or Public Policy. In the first three cases, you must inform me at the outset of the semester and do your term paper on a topic appropriate to the relevant minor.

**COURSE OBJECTIVES**
Aspects of the modernization process confront us through personal experience, the media, and across the academic disciplines. By the end of this semester you should have a reliable geography of post-WWII development experience in the major developing regions, and a sense of the diversity of individual-country experience. You should understand how development economists use the tools of Ec 1 to develop robust insights about the determinants of long-run development. You should be able to use these tools yourself to interpret the main challenges and debates in development policy at the global, macro, and micro levels.

**REQUIRED TEXTS**

**OTHER REFERENCES**

**COURSE POLICIES**
Attendance: I require attendance of all students. If you have predictable attendance conflicts, please work these out with me at the beginning of the semester.
Grading: Midterm exam, 25%. Final exam, 40%. Paper, 25%, Attendance and participation, 10%.
**Make-up exams:** I will only give make-up exams for an emergency or medical excuse certified by the Dean’s office or Worth Health Center.

**Plagiarism:** Plagiarism is defined as passing off the work of others as your own. It is easy to avoid, not by ignoring the work of others but by citing it whenever you use it. Students will be required to submit their term papers electronically, as MS Word documents. Any student caught plagiarizing will fail the course and will also face the College’s judicial procedure which may lead to suspension or expulsion. For instructions on avoiding plagiarism see *Referencing Source Material and Avoiding Plagiarism in Economics* under the ‘Classes’ link on my web page.

**TERM PAPER**
Your paper should be 12-15 pages of double-spaced text (not including references, tables, figures). Identify a topic that interests you, and follow up references in the Szirmai or Collier book to determine how development economists have approached this topic. Narrow your focus to a research question that can be informed by marshaling (someone else’s!) evidence from one or more developing economies (Can infant industry protection be successful? What impact has PROGRESA had on poverty in Mexico? What explains rural-to-urban migration in poor countries? Is Venezuela falling prey to the ‘resource curse’? What determines the pattern of foreign direct investment in manufacturing? etc.). Present the relevant analytical framework in your paper, and develop an answer in light of your evidence.

**Term paper deadlines** (required steps are identified by *)
*Proposed research question (1 paragraph) by Monday October 1, in class [proposal must be approved by me to move to the next stage]  
*Annotated outline (2 pages, with at least 4 references) by Friday October 12, in class  
[t his should show the structure of the paper, indicating the analytical framework you intend to use and the evidence you’ll bring to bear.]  
Rough draft of paper by Monday November 5  
[this stage is optional: it gives you time to have your paper WAed at the Writing Center]  
*Final draft by Friday November 30

Note: Your final grade will be reduced by 1/3 of a grade for each 3 days the final draft is late.

**WEEKLY READINGS**
All starred (*) readings are required. They are available either in required texts, online via blackboard, or in Ec 81 binders on General Reserve in McCabe. All other readings (in small font) are optional and may or may not be readily available.

**Introduction** (week 1, Monday 9/3)

⇒⇒ **Note: Class cancelled Friday Sept 7.**


Key concepts: economic development, factor accumulation, productivity.


**Historical background** (week 2, Monday 9/10)
Note: Friday Sept 14 is the end of drop/add period.

*Szirmai, ch 2, pp. 35-67; *Szirmai, ch 13, Sections 14.1-14.3 only, pp. 515-46;

Key concepts: globalization, income distribution, multilateralism.

Economic growth (week 3, Monday 9/17)

Key concepts: convergence, capital fundamentalism, international factor mobility.

Acquiring technological capability (week 4, Monday 9/24)

Key concepts: tacitness, circumstantial sensitivity, spillovers, global supply chains.

The bottom billion – conflict and natural resources (Week 5, Monday Oct 1)
*Collier, chs 1-4; *Szirmai, ch 11, pp. 426-85.
Key concepts: poverty traps, conflict curse, natural resource curse.


The bottom billion – trade (Week 6, Monday Oct 8)

**Midterm Exam in class Weds Oct 10, covering wks 1-5.**


Key concepts: labor costs, supply-side constraints, agglomeration, trade preferences.


*** Fall Break, week of Monday Oct 15 ***

Population (Week 7, Monday Oct 22)

**SOC at UNCTAD meeting and will miss 1 or 2 lectures; details TBA.**


Key concepts: fertility behavior, demographic transition, female labor force participation.


Poverty targeting and human capital (week 8, Monday Oct 29)


Key concepts: targeting, human capital, conditional transfers, randomized evaluation.


Structural transformation and primary exports (Week 9, Monday Nov 5)


Key concepts: Dutch disease, real exchange rate, fiscal linkages.


Industrial development (Week 10, Monday Nov 12)


Key concepts: agricultural surplus, balanced growth, big push, learning by doing.


Agricultural productivity and rural development (week 11, Monday Nov 19)

**Note: No class Friday Nov 23 (Thanksgiving holiday)**

*Szirmai, ch 10, pp. 354-425.

Key concepts: Green revolution, induced innovation, rural institutions.


Finance and development (week 12, Monday Nov 26)

*Szirmai, ch 13, Sections 13.4-end: 546-79.

Key concepts: Asian financial crisis, moral hazard, adverse selection, micro-credit.


Foreign aid (week 13, Monday Dec 3)

*Szirmai, ch 14, Sections 14.4-end: pp. 591-632.
Key concepts: Financing gaps, conditionality/selectivity, big push/incrementalism.
(http://www.nyu.edu/fas/institute/dri/Easterly/File/Was_Development_Assistance_a_Mistake.pdf)

Wrapping up (final class meeting, Monday Dec 10)

⇒⇒ **FINAL EXAM at scheduled time during finals week**

Subject to revision. This version September 18, 2007.