

**Economics 81**  
**ECONOMIC DEVELOPMENT**  
**Swarthmore College**

Prof. Steve O'Connell

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Spring 2018, TTh 2:40-3:55, Sci Ctr 104

Office hrs: M 2-3:30, Th 9-10:30 or by appointment

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**WHERE THIS COURSE FITS.** This course is a survey of development economics. The prerequisite is ECON 001. Students planning to count the course towards a minor in Asian Studies, Black Studies, or Peace and Conflict Studies should inform me at the beginning of term so that we can tailor writing assignments appropriately. Please note: This course is not intended for students planning to take the Seminar in Economic Development (ECON 181 is worth only 1 credit if you have already taken ECON 081).

**LEARNING OBJECTIVES.** Students will learn to: Apply the tools of economic analysis to contemporary debates in development policy. Acquire familiarity with patterns of economic development in Africa, Asia and Latin America since World War II, and with leading analytical accounts of differences in living standards across countries and over time. Understand debates on the role of the public sector in the development process including the contributions of agricultural, trade, and industrial policies to employment and economic transformation. Interpret project design, cost-benefit analysis, and impact assessment across a variety of contexts including education, health and extreme poverty. Understand the role of external actors in the development process, including private capital and public bilateral and multilateral aid organizations.

**REQUIRED TEXTS.** Additional readings will be available on Moodle.

Perkins, Dwight H., Steven Radelet, David Lindauer, and Steven Block (2013), *Economics of Development*, 7<sup>th</sup> Edition (New York: W. W. Norton)

Banerjee, Abhijit and Esther Duflo (2011) *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty* (New York: PublicAffairs).

Note: You will also need your ECON 001 textbook at many points during the semester.

**OTHER REFERENCES.** The Ec 181 Honors reserve section has many classic references including advanced surveys of development topics in the multi-volume *Handbook of Development Economics*. Jeffrey Sachs's 2015 *The Age of Sustainable Development* (on ebrary) incorporates sustainability into a range of development topics. The *Econlit* database, accessible via Tripod, is a searchable index of the entire economics journal literature. For cross-country data on development, go to [www.worldbank.org](http://www.worldbank.org), [www.imf.org](http://www.imf.org), and the other websites listed on pages xxiii-xxiii of Perkins *et al.* (2013). For methods and research using randomized controlled trials, go to the Jameel Poverty Action Lab ([www.jpall.org](http://www.jpall.org)). Be enterprising: there is a ton out there.

**COURSE POLICIES.**

Respect amid diversity is our common commitment to each other in this class, and I will count on you to help me renew this in all our interactions.

Be in touch! Please do not hesitate to contact me – the earlier the better – if you have any concerns about your performance in this course. I also welcome discussions about content and/or methods.

Attendance and participation: Attendance and regular participation in class discussion are required. To facilitate participation, I will use index cards to call on students randomly in class. Please work out predictable attendance conflicts associated with athletic contests or other activities with me at the beginning of the semester.

Grading: Participation/assignments/quizzes 20%, two midterm exams 25% each, final exam 30%.

Make-up exams: For the sake of fairness I only give make-up exams for an emergency or medical excuse certified by the Dean's office or Worth Health Center.

Accommodations: As per College policy, students can receive extra exam time and other accommodations if these are requested in a letter from Leslie Hempling's office.

Late assignments: Hand in that assignment! Your grade on any assignment will drop by 1/3 of a grade if it is late, and by an additional 1/3 of a grade for each additional 2 days the assignment is late.

Plagiarism: Plagiarism (on any assignment you hand in) is defined as passing off the work of others as your own. The good news is that plagiarism is easy to avoid, not by ignoring the work of others but by citing it whenever you use it. For instructions on avoiding plagiarism see *Referencing Source Material and Avoiding Plagiarism in Economics* under the 'Classes' link on my web page. Any student caught plagiarizing will fail the course and will also face the College's judicial procedure which may lead to suspension or expulsion.

### **OVERVIEW OF TOPICS (Detailed assignments are on the Moodle site)**

Week 1 (Tues 1/23) Development patterns, opportunities, and challenges

Week 2 (Tues 1/30) One-sector growth models

Week 3 (Tues 2/6) Agriculture, informality, and the structural transformation

Week 4 (Tues 2/13) States and markets

Week 5 (Tues 2/20) Inequality and poverty –1

Week 6 (Tues 2/27) Inequality and poverty –2

**MIDTERM EXAM #1, IN CLASS THURSDAY 2/29, covering weeks 1-5**

Week 7 (Tues 3/6) Randomized evaluation

**SPRING BREAK, WEEK OF 3/12**

Week 8 (Tues 3/20) Foreign aid

Week 9 (Tues 3/27) Education

Week 10 (Tues 4/3) Population and health

**MIDTERM EXAM #2, IN CLASS THURSDAY 4/5, covering weeks 6-9**

Week 11 (Tues 4/10) Credit, risk and insurance in development

Week 12 (Tues 4/17) Natural resources: diversification and sustainability

Week 13 (Tues 4/24) Trade, technology and globalization

Week 14 (Tues 5/1) Macroeconomic management and capital flows

**FINAL EXAM DURING FINAL EXAM PERIOD**