

Syllabus
ECON 4348 (01): Economic Development
CRN:81248
FALL 2017

Instructor: Dr. Santosh Kumar

Department of Economics and International Business
Sam Houston State University

Time and Location: MW 2:00-3:20 pm, SHB 105

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Office Hours: MW 12:30-2:00 pm or by appointment, SHB 241A

Department webpage: <http://www.shsu.edu/academics/economics-and-international-business>

Economics Facebook: <https://www.facebook.com/groups/208741956458/>

Course Overview

Almost half the world-over three billion people- live on less than \$2.50 a day. 22,000 children die each day due to poverty. About one-third of children in developing countries are either stunted or wasted. Some 1.1 billion people in developing countries have inadequate access to water, and 2.6 billion lack basic sanitation. Nearly a billion people entered the 21st century unable to read a book or sign their names. **Very gloomy picture!**

The goal of this course is to expose students to the development challenges faced by economies worldwide especially in sub-Saharan Africa and South Asian countries with some reference to disadvantaged communities in the US. The focus is to better understand the economic lives of poor, causes of poverty and poor health in developing countries and explore the solutions to these challenges. The course will approach these issues from microeconomics perspective and will analyze economic behavior at micro level i.e. individual and household. The course will also discuss program evaluation techniques to understand which policy works the best to eradicate poverty.

Learning Outcomes

On completion of this course, students should be able to:

- outline the key economic issues in developing countries
- discuss the main theories and concepts in development economics
- understand the empirical evidence on development policies
- evaluate public policies

Course Evaluation Learning Objectives

Towards the end of the semester, you will be required to complete a course evaluation survey. The survey will be administered online through Blackboard. You are encouraged to complete the survey in reference to the following two main learning objectives of this course:

- **Gaining a basic understanding of the subject (e.g., factual knowledge, methods, principles, generalizations, theories)**
- **Learning to apply course material (to improve thinking, problem solving, and decisions)**

Prerequisites

ECON 2300 and BANA 2372 (Exemplary and motivated students may be exempted from these prereq).

Textbooks

Required Text:

- *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty* by Abhijit Banerjee and Esther Duflo; (New York: PublicAffairsTM, 2011) [ISBN 9781586487980].

Optional Texts:

- *Economic Development* by Michael P. Todaro and Stephen C. Smith
- *Understanding Poverty* by A. Banerjee, R. Benabou, and D. Mookherjee, editors, Oxford University Press: March 2006. This is another non-technical description of research by economists on most of the topics covered in the class.
- *Development Economics* by Debraj Ray, Princeton University Press, 1998. This is a advanced and technical exposition of the course material.

Grading

All assignments and exams are mandatory and no make-up exam is allowed in this course. You will receive **ZERO** for the missed exams/ assignments. The final grade will be based on a total score of 100, which will be based on five different components, outlined as follows:

- 5 Homeworks (20 points)
- Mid-term exam (30 points)
- In-class presentation (20 points)
- Final exam (30 points)

House-keeping rules

- Laptop/ipad not allowed for taking notes. Pen is mightier than the keyboard. <http://pss.sagepub.com/content/25/6/1159>
- Attendance is mandatory.
- No use of any other electronic devices during the class unless it is an emergency situation.
- Good behavior inside the classroom is appreciated.

SHSU's Policies

- Academic Dishonesty <http://www.shsu.edu/syllabus/>. Per the SHSU's policy, use of cellphone, laptop or other electronic devices without instructor's permission will be construed as an evidence of cheating and penalty will be imposed as per the university's guidelines
- Students with Disabilities <http://www.shsu.edu/syllabus/>
- Student absence on religious Holy Days <http://www.shsu.edu/syllabus/>
- Visitors in the classroom <http://www.shsu.edu/syllabus/>

Course Outline

What is this course about <https://www.youtube.com/watch?v=BWf-eARnf6U>

Matt Damon's IceWater challenge <http://time.com/3181818/als-ice-bucket-ch>

1. Introduction: Poverty, Inequality, and Development

- Difference between Economic Growth and Economic Development
- Millennium/Sustainable Development Goals
- Is GDP a good measure of Well-Being?
- Meaning and Measurement of Poverty
- Inequality and Development
- Poverty Trap (*PE*: ch 1)
- Economic Lives of Poor (*Essential Reading*: Banerjee, Abhijit V., and Esther Duflo. 2007. "The Economic Lives of the Poor." *Journal of Economic Perspectives*, 21(1): 141-168.

2. Health and Economic Development-PE ch 3 and Journal articles

- Relationship between Health and Economic Development
- Economic Impacts of Malaria (Bleakley)
- Fetal Origins Hypothesis (1. Douglas; 2. Kumar; 3. Field)
- Sanitation and Diarrhea (1. Kumar)

3. Education and Economic Development

- Relationship between Education and Economic Development
- Returns to education
- Experimental evidence on education interventions

4. Public Policy Evaluation Techniques

- Quasi-experimental methods
- Experimental methods (Randomized Control Trial (RCT))

5. Credit Markets

- Savings
- Credit
- Microfinance

6. International Organizations

- World Bank, IMF
- UNICEF, WHO, USAID, DFID, AUSAID
- United Nations

7. In-Class Presentation

International Development Resources on the Internet

International Organizations

- World Bank www.worldbank.org
- International Monetary Fund www.imf.org
- African Development Bank www.afdb.org; Asian Development Bank www.adb.org; and Inter-American Development Bank www.iadb.org
- The United Nations Development Programme www.undp.org; the Food and Agriculture Organization www.fao.org; the United Nations Children's Fund www.unicef.org; the UN Programme on HIV/AIDS www.unaids.org

Foundations

- The Bill and Melinda Gates Foundation www.gatesfoundation.org
- The Ford Foundation www.fordfound.org
- The Rockefeller Foundation www.rockfound.org
- The William and Flora Hewlett Foundation www.hewlett.org

Independent Research Organizations

- The Center for Global Development www.cgdev.org
- The Center for International Development at Harvard University www.hks.harvard.edu/centers/cid)
- The Earth Institute at Columbia University <http://www.earthinstitute.columbia.edu/sections/view/>
- The Overseas Development Institute <http://www.odi.org/>
- Poverty Action Lab at MIT [www.http://www.povertyactionlab.org/](http://www.povertyactionlab.org/)