Econ 4530: Topics in Development

Spring 2025

Instructor: Shresth Garg

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Time: Tuesday and Thursday, 10:15 to 11:45

Location: PCPE 101

Teaching Assistant: Edicson Luna Roman

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Office hours:

Course Description:
This course studies the causes of income differences across countries and the process of income growth in developing countries. We will use theoretical models, empirical evidence, and country-specific case-studies to understand the role of institutions, geography, human capital, credit markets, firms, and the public sector in driving economic development.

Prerequisites:
Econ 2100 and (Econ 2200 or Finance 1010) and (Math 1400 or Math 1070) and (Math 1410 or Math 1510 or Math 1080).

Class Structure:
The class and exam will take place in person. Canvas will be used as the main form of communication for the class as well as the problem sets.

Grading Policy:

There will be three midterms and three problem sets. The first midterm will determine 20% of the grade, and the second and third midterms will determine 25% of the grade each. Each problem set will determine 10% of the grade.

Regrading:

You must first discuss the problem set or midterm with the TA during office hours. If you are not satisfied with the explanation, you may submit a formal regrade request by email to the TA with copy to the instructor. The regrade request (a) must clearly state the specific item in dispute and contain a clear explanation of the reason for your regrade request, and (b) must be submitted within one week from the initial return of the problem set or exam. If the TA accepts the regrade request, they will regrade the entire problem set or exam, not just the item in question.

Grade Expectations:

I anticipate an average GPA in the range between 3.0 and 3.2, or slightly above a B plus.

Readings:

There is one required and one recommended textbook for this course.

The required textbook is Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty by Abhijeet Banerjee and Esther Duflo. I will assign chapters from the book before certain lectures. Students are expected to do the readings before the class.

The recommended textbook is Development Economics by Debraj Ray. Students may consult the book for theoretical background on topics covered in the class.

Problem Sets:

Problem sets will be posted at least two weeks before the due date. They must be submitted through Canvas. You can request one extension throughout the semester. You should upload a scanned version of your writeup. You are encouraged to discuss the problem sets with your classmates. However, each student must submit individual write-ups of their problem sets. In additional, you must list the names of students with whom you have collaborated.

Midterms:

Midterms will take place in person. They are closed book exams.

I. Introduction

- Facts about economic development and growth.
- Measures of poverty and development.

II. Growth and long-run development

- Solow model.
- Conditional and unconditional convergence.
- Poverty traps.
- Comparative development.

III. Factor Accumulation

- Education.
- Health.
- Savings.
- Credit.
- Insurance.

IV. Productivity Growth

- Misallocation and sectoral productivity differences.
- Migration.
- Industrial Policy.
- Law and corruption.
- Trade and infrastructure.

Course Schedule

Date	Lecture (Tuesday)	Date	Lecture (Thursday)
		Jan 16	Introduction
Jan 21	Solow model	Jan 23	Institutions
Jan 28	Slave trade	Jan 30	Geography
Feb 4	Poverty traps 1	Feb 6	Poverty traps 2
Feb 11	Health 1	Feb 13	Health 2
Feb 18	*Mid-term 1*	Feb 20	Education 1
Feb 25	Education 2	Feb 27	Saving 1
Mar 4	Saving 2	Mar 6	Credit 1
Mar 11	*Spring Break*	Mar 13	*Spring Break*
Mar 18	Credit 2	Mar 20	Insurance 1
Mar 25	Insurance 2	Mar 27	*Midterm 2*
Apr 1	Trade 1	Apr 3	Trade 2
Apr 8	Trade 3	Apr 10	Misallocation 1
Apr 15	Misallocation 2	Apr 17	Migration
Apr 22	Law and corruption	Apr 24	Industrial Policy
Apr 29	*Midterm 3*		

Mid-term 1: Solow model, institutions, slave trade, geography, poverty traps 1, poverty traps 2.

Mid-term 2: Health 1, health 2, education 1, saving 1, saving 2, credit 1, credit 2, insurance 1, insurance 2.

Mid-term 3: Trade 1, trade 2, trade 3, misallocation 1, misallocation 2, migration, law and corruption, industrial policy.