

EC 320: Economics of Less-Developed Regions

Fall 2022: Course Syllabus

Instructor: Masyhur Hilmy

Email: mhilmy@bu.edu

Office: 270 Bay State Road, Office #B11

Office Hours: Wednesday 8:15-10am, Friday 3-4:15pm

Teaching Assistant: Renuka Diwan

Email: rdiwan@bu.edu

Office: 270 Bay State Road

Office Hours: Monday noon-1pm (#413) Wednesday 10-11am (#546)

Class Time: Mondays, Wednesdays, Friday 1:25-2:15 pm

Class Location: CGS 527

Class Website: <https://learn.bu.edu>

Course Description

This course provides an overview of major topics in the study of economic development. We will combine a discussion of economic theory with a review of empirical evidence on the determinants of income growth and poverty reduction. Each week will focus on a new topic and examine one particular aspect of the economics of less-developed regions. The goal is not to provide an exhaustive coverage of all relevant topics but to expose students to current issues and debates in the field of development economics.

Course Objectives

By the end of this course, students should:

1. Understand fundamental components of the theory of economic development
2. Be familiar with standard indicators of growth, inequality, and human development
3. Know how to critically interpret empirical research results
4. Think innovatively about how to link theory and empirical evidence with policy design

Prerequisites: EC 101 (Introduction to Microeconomics) and EC 102 (Introduction to Macroeconomics). Statistics at the level of EC 203 or 303 is desirable. I will assume you are familiar with the material on Elementary Statistical Methods in Appendix 2 of the textbook by Debraj Ray mentioned below.

Assignments and Grading

Your final grade for this course will consist of the following:

- | | |
|------------------|--|
| 1. Group Project | – 20% [due Monday, December 12, in class] |
| 2. Homework | – 20% [see schedule for tentative due dates] |
| 3. Midterm Exam | – 30% [Friday, October 21, in class] |
| 4. Final Exam | – 30% [TBD] |

Group Project. You should form groups of five members each, at the beginning of the semester. Let me know if you are having trouble finding a group. Each group should select a developing

country to focus on for their project, and work on this in parallel with the class. The first part of the project should provide a macroeconomic perspective on development trends in the country over the past few decades, using various development indicators and a historical perspective. It should conclude with an assessment of development prospects in the near future. The second part should be a policy brief: select a key policy area for this country, search the literature for important research findings, summarize these and make some policy recommendations. Project reports are due on the last day of class. I will be expecting a paper of between 15 to 25 pages (12 point, single-spaced, including references).

Homework. There will be four homework assignments. These will be posted on Blackboard along with due dates. You can work in groups but each student must submit an individual write-up of solutions. Assignments are due at the beginning of class – please submit them on time. You will get no credit for turning in assignments after class on the due date. The assignments will reinforce concepts from the lectures and readings. They will serve as preparation for the exams as well as an opportunity to study concepts that will be relevant for the final country reports. I strongly encourage you to work through the problems independently before working together as a group.

Midterm. The exam will cover readings and lecture material from the first half of the course. It will be closed book, in class and will not be rescheduled.

Final. The exam will cover readings and lecture material from the entire semester. It will be closed book, held during the final exam period, and will not be rescheduled.

The exams will be based largely on lecture material and readings. I will provide a sample exam before the first midterm so that you know what to expect. In addition to keeping up with the readings and attending every lecture, I suggest that you take thorough notes during the lectures and integrate them with the required readings, homework, and sample exam.

Expectations and Requirements

1. Students should complete assigned readings before each class and come prepared to discuss them. Participation in class discussions is a core component of the learning process. Arrive on time and give advance notice if you will be late or absent.
2. Monitor the University's Covid-19 page. <https://www.bu.edu/covid/>. From the Fall 2022 Health Information <https://www.bu.edu/dos/2022/08/10/important-health-information-fall-2022/>: masks reduce the risk of transmission in crowded settings or for individuals who are at increased risk of severe illness from COVID-19. High-quality masks worn correctly and regularly will significantly reduce the risk of viral transmission even if others around you are not masked.
3. No laptops in class. This is for everyone's benefit. Unfortunately, when students use laptops to take notes they tend to distract themselves and their classmates.
4. Requests for re-grades must be put in writing and submitted to me within a week of receiving an initial grade. The goal of exams and assignments is to enhance students' understanding of course material. Grades should not be seen as an end in themselves.
5. Email communications should be limited to short messages providing basic information or requesting urgent clarifications. Please include "EC320" in the subject line. Take

advantage of class time and office hours to bring up any substantial concerns. I find that it is more constructive to address these issues in person.

6. If you miss an exam without legitimate reason and advance notice, you will receive a grade of zero. If you miss an exam for a legitimate reason, and you have notified me in advance, I will reweight the remaining components of your grade accordingly.
7. Familiarize yourselves with BU's Academic Conduct Code. Violations will be penalized. <http://www.bu.edu/academics/policies/academic-conduct-code/>
8. If you have any disability-related needs or require any special arrangements, please let me know immediately.

Course Outline (approximate guideline, see the schedule for assigned readings)

1. Introduction and Overview on Development [3 lectures]
2. Growth and Inequality [4]
3. Primer on Empirical Methods [2]
4. Foreign Aid [1]
5. History, Geography, and Institutions [4]
6. Conflict [3]
7. Midterm review [1]

****MIDTERM EXAM: in class on Friday, Oct 21**

8. Fertility and Population Growth [2]
9. Migration and Labor Markets [4]
10. Land and Institutions [2]
11. Corruption [2]
12. Health and Nutrition [3]
13. Education [3]
14. Family and Gender [1]
15. Credit, Savings, and Insurance [2]
16. Catch Up and Final Review [1]

****FINAL EXAM: TBD**

Note: There will be **NO CLASS** on:

- Monday, September 19 (substitute schedule TBD)
- Monday, October 10 (Monday Schedule shift to Tuesday, October 11)

Required Textbook

Development Economics. Debraj Ray. Princeton University Press, 1998.

Recommended Reading (both are accessible online through BU library)

Understanding Poverty. Abhijit Banerjee, Roland Benabou, and Dilip Mookherjee, editors. Oxford University Press, 2006.

Poor Economics. Abhijit Banerjee, Esther Duflo. Public Affairs, 2011.