This course explores microeconomic analysis of behavior and policy issues important in developing economies. While many of these subjects are also important for industrialized economies, some are of special relevance to poor economies. The course is developed around lectures and readings that present empirical, scientific evidence on different topics. Emphasis is on evidence. Topic areas include poverty and inequality, agriculture and human capital (health, schooling and population). There is no main text, but we will use numerous chapters from the text by Professor Julie Schaffner of Tufts University, Development Economics: Theory, Empirical Research and Policy Analysis, Wiley. This is available in print and as an e-book. The electronic version is far less expensive. It is available at http://www.coursesmart.com/IR/6487639/9780470599396?__hdv=6.8. I encourage you to buy this. Also several books that will be used extensively in the course: World Bank, World Development Report, 2008: Agriculture for Development, World Development Report, 2012, 2018. The World Bank books are available for free download on the web at www.worldbank.org (go to research, then to WDRs). These and other books will be available on reserve at Leavey Library, if it is open, and articles will be available on ARES online reserve, plus you can look them up on the web.

As you will see in the syllabus, in each section readings are included that explore an issue in greater detail the required readings. Many of these come from an annual series published by the World Bank entitled, World Development Report (WDR). Some are from a journal published jointly by the World Bank and the International Monetary Fund, titled Finance and Development; these latter tend to be 1 to 3 pages in length. A few other readings are included. The WDRs are on ARES online reserve and should also be at Leavey Library, as are other books used for readings. Articles not in books are available online as electronic files under ARES reserve readings under Econ 340. Articles in books can be found in the books, which should be on reserve. Articles in journals will be electronically available.

This class is an in person class, unless there are changes (which could occur, the campus could be shutdown again and so everything become remote).

Grading will be based on two in-class midterms and an in-class final. Exams will be on Blackboard for those students who cannot be on campus and in the classrooms for those who are able to come. Weights will be 30% for each midterm and 40% for the final. Exams will be a mixture of multiple choice, true-false and short answer. We will have a review session before
each exam. Also I will distribute study guides and practice questions in advance of each exam.

I will organize small group zoom lunches on a voluntary basis; four students or fewer at a time. Discussions are open. This is in order for us to get to know each other somewhat, in a large class. If campus opens up later in the semester maybe we will be able to do some in-person lunches.
Academic Conduct
Plagiarism – presenting someone else’s ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Section 11, Behavior Violating University Standards [https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions/]. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, [http://policy.usc.edu/scientific-misconduct/].

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the Office of Equity and Diversity [http://equity.usc.edu/] or to the Department of Public Safety [http://capsnet.usc.edu/department/department-public-safety/online-forms/contact-us]. This is important for the safety whole USC community. Another member of the university community – such as a friend, classmate, advisor, or faculty member – can help initiate the report, or can initiate the report on behalf of another person. The Center for Women and Men [http://www.usc.edu/student-affairs/cwm/] provides 24/7 confidential support, and the sexual assault resource center webpage sarc@usc.edu describes reporting options and other resources.

Support Systems
A number of USC’s schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Students whose primary language is not English should check with the American Language Institute [http://dornsife.usc.edu/ali], which sponsors courses and workshops specifically for international graduate students. The Office of Disability Services and Programs [http://sait.usc.edu/academicsupport/centerprograms/dsp/home_index.html] provides certification for students with disabilities and helps arrange the relevant accommodations. If an officially declared emergency makes travel to campus infeasible, USC Emergency Information [http://emergency.usc.edu/ will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.
I. What is development economics?

Schaffner, Development Economics: Theory, Empirical Research and Policy Analysis, Chapter 1, Introduction

II. Measuring development

Schaffner, Chapter 2, Well-Being
Schaffner, Chapter 3, Economic Growth

III. Poverty and inequality

Schaffner, Chapter 5, Poverty, Inequality and Vulnerability


Martin Ravallion, “How long will it take to lift one billion people out of poverty?” World Bank Research Observer, August 2013.


World Bank, World Development Report, 2012, Overview

In more detail:


Ravallion, Martin, 2016. *The Economics of Poverty*, Oxford University Press, Chapters 5 and 7 (Chapters 1-4 are very informative as well).

**MIDTERM 1**

**IV. Agriculture and rural development**


*In more detail:*

Thomas Tomich, Peter Kilby and Bruce Johnston, *Transforming Agrarian Economies*, Chapter 2; on structural transformation

**MIDTERM 2**

**V. Investment in human capital**


Schaffner, Chapter 15, Targeted Transfer Programs; Chapter 19, Education; Chapter 22, Public Health, Health Care and Health Insurance


*In more detail:*


**VI. Population and development**


**Final exam** Thursday May 2, 2-4PM.