

ECON 4760-01 – Microeconomics of Development

CLASS DETAILS:

Office Hours: Announced weekly on Slack Syllabus
updated: April 6, 2020

COURSE DESCRIPTION: People in developing countries face a large number of issues that affect their well-being negatively: low and variable income, significant health risk, and markets that are either missing or do not work as efficiently as in developed countries. The purpose of this class is to help you understand why this is, how people respond, and especially what policies that can be introduced to improve people's lives. Focus will be on the microeconomic aspects of development, especially on how households behave.

Although this course differs from standard economic courses by focusing on what happens when markets are non-perfect, we will still maintain that people act rationally given the constraints they are faced with. It is therefore possible to extend and adapt the standard tools that you learned earlier (especially in intermediate micro) to analyze real-world situations. The goal of this course is to provide you with a better idea of what life in developing countries is like and what can be done about it *and* give you an idea of how valuable insights can be gained using standard economic tools and thinking.

LEARNING OUTCOMES: A first step in design of sensible policies is understanding the underlying situation and how people respond to it. Hence, to pass this course you should be able to do the following:

- Describe and explain theories and empirical results related to household behavior.
- Analyze specific situations by applying suitable theories and empirical knowledge to it.
- Make predictions about the possible effects of proposed policies using your analysis of the situation.

To achieve these goals you need to be proficient in the use of the basic microeconomic models, i.e. utility maximization under constraints, and the intuition behind them.

ASSESSMENT: Course grades will be assigned at the end of the quarter based on your performance in class using the following percentages:

- 20% Midterm
- 40% Writing assignments (drop lowest)
- 40% Final

The grade schedule is:

A range: 90-100% of total points (Superior)

B range: 80-89% of total points (Good)

C range: 70-79% of total points (Adequate)

D range: 60-69% of total points (Poor)

F range: less than 59% of total points (Fail)

RECOMMENDATIONS FOR SUCCESS: Although this is a very demanding course in terms of the reading and writing requirements, all of you should be able to do well, provided you are willing to spend the required amount of time and effort. Below is a set of recommendations for how to go about studying for this course. Let me know how these work for you, so I can update this section for next time I teach the course.

One problem is the lack of a solid foundation on which to build, which will make the readings more difficult than they should be. This can be both technical aspects of the modeling and the intuition behind them. Developing "economic intuition" is not something you do overnight, but a good place to begin is by reviewing your micro book as suggested above. This should give you the basic parts necessary for understanding the readings.

Another problem people sometime have is conveying what they have learned in writing. You might think you understand something after reading an article, but until you can explain it to somebody else you have not *really* understood the material. Remember, “clarity of writing follows clarity of thinking.” It takes time getting arguments right, so be prepared to spend a considerable amount of time writing (and rewriting, and rewriting). The ideal situation is one where you write a draft of an assignment, leave it alone for a while and then reread it critically.

TEXT AND READINGS: This course is different from other economics courses in that it does not rely mainly on one textbook. Instead we will read and discuss chapters from two different books, supplemented with academic research articles to provide additional information and depth. The readings will be in a course pack for the textbook chapters, and on Canvas for the academic articles.

If you are interested in additional (lighter) reading, a good book is Sebastian Mallaby’s “The World’s Banker” (2004). The book provides a good overview of development policy and its many pit-falls, while providing a very entertaining biography of James Wolfensohn, the former president of the World Bank. Another good book is William Easterly’s “The Elusive Quest for Growth: Economists’ Adventures and Misadventures in the Tropics” (2002). It deals with some of the same topics as Mallaby’s book, but takes a longer view of attempts at development aid.

There are many, very interesting, development oriented blogs that you should follow through the quarter. They are, in no particular order:

- [World Bank Development Impact](#)
- [Financial Access Initiative](#)
- [Innovations for Poverty Action](#)
- [Center for Global Development](#)
- [Chris Blattman at Columbia](#)
- [Dani Rodrik at IAS](#)

There are also a number of interesting economists on blogs and Twitter, but this should be enough to keep you busy for a while.

CANVAS: All course material will be on Canvas: seattleu.instructure.com. It is your responsible to check it frequently.

CONTACT INFORMATION:

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ACADEMIC INTEGRITY TUTORIAL: <https://www.seattleu.edu/academic-integrity/resources-for-students/>

ACADEMIC POLICIES ON THE REGISTRAR WEBSITE Be sure that you understand the following university academic policies, posted on the Registrar’s website:

- Academic integrity policy
- Academic grading grievance policy

<https://www.seattleu.edu/redhawk-axis/academic-policies/>

SUPPORT FOR STUDENTS WITH DISABILITIES: Seattle University values diverse types of learners and is committed to ensuring that each student is afforded an equal opportunity to participate in learning experiences. For disability and other learning-related needs and accommodations that you have already arranged via Disability Services, please communicate with me during the first week of

class through email or Zoom. Should concerns arise at any point in the quarter, please let me know as soon as possible.

If you have, or think you may have, a disability (including an “invisible disability” such as a learning disability, a chronic health problem, or a mental health condition) that interferes with your performance as a student in this class, but have not yet arranged support services and/or accommodations, I encourage you to do so through Disability Services staff at DS@seattleu.edu or (206) 296-5740. Disability-based adjustments to course expectations can be arranged only through this process. I am committed to working with you, so please do not hesitate to contact me.

ACADEMIC RESOURCES: I strive to create a learning environment in which you can be incredibly successful. My goal is to create and improve the learning environment throughout the quarter based on my own observations of the course and your feedback on what would help you learn more. In return, I ask and encourage you to make the most of this learning opportunity. Also, please take advantage of the academic support services available to you at the university. Even if you have had excellent study skills in the past, it is very easy to slip into suboptimal habits and these services can help you excel in your studies. You can check the advice posted on the SU Orientation to Distance Learning site at <https://seattleu.instructure.com/courses/1563070/pages/study-habits>.

- **LIBRARY AND LEARNING COMMONS:** <http://www.seattleu.edu/learningcommons/>
- **WRITING CENTER:** The Writing Center employs undergraduate writing consultants who assist students at all stages of the writing process. Consultants will help students begin writing tasks, organize and develop first drafts, and revise and edit later drafts.

Given that the University has moved to online classes for Spring Quarter, the Writing Center is offering online appointments through asynchronous and synchronous options. Please visit <https://www.seattleu.edu/writingcenter/online-consultations/> to learn more about the online consultations or schedule an appointment through <https://seattleu.mywconline.com>.

- **LEARNING ASSISTANCE PROGRAMS:** Learning Assistance Programs provide peer tutoring, facilitated study groups, and learning strategy development through scheduled workshops and individual meetings with a learning specialist. Given that the University has moved to online classes for Spring quarter, LAP will only be offering services remotely. Please visit our website <https://www.seattleu.edu/learning-assistance/> or e-mail us at learningassistance@seattleu.edu for the most updated information about accessing services.
- **ENGLISH-LANGUAGE LEARNING CENTER (ELLC):** The English Language Learning Center (ELLC) offers free tutoring for all SU students who are non-native speakers of English. Experienced ELLC tutors can help you improve your English language skills and better understand American culture. We can help with any type of assignment: written essays, online discussions, oral presentations, interview practice, etc. For the schedule or to book a session please visit <https://www.seattleu.edu/ellc/ellc-tutoring/>.

CLASS RECORDING: Zoom meetings of this course may be recorded. Any recordings will only be available to students registered for this class. Recordings may not be reproduced, shared with those not in the class, or uploaded to other online environments.

ATTENDANCE AND PARTICIPATION EXPECTATIONS: Numerous research studies have shown that when students actively ask and answer questions, they take greater interest in the material, they clarify shared misconceptions, and they retain more information.

I would like to see all of you actively participating in class over Zoom (in small- and large-group settings), as well as in any activities or discussions on Canvas. Given our extraordinary circumstances this quarter, there is no attendance or participation grade in this course. Flexibility is key, and my primary goal is to enable you to focus on your learning without worrying about attendance if, for example, a member of your family is unwell and needs your support.