This course is the second half of the year long graduate sequence in economic development. The first half, however, is not a prerequisite. The seminar is divided into four areas:

1. Development Planning and the Use of Computer Simulation Models
2. Agricultural Development
3. Population, Migration, Human Resources and Development
4. Savings, Industrialization and Technology

The objectives of the course are (1) to provide an overview of key economic problems facing developing countries, (2) to provide some analytical tools that may be useful in addressing these problems, and (3) to reinforce microeconomics, mathematics and modeling skills. There are no formal prerequisites, although the prudent student will have completed at least one semester of graduate micro theory and math econ.

Course philosophy/design. Roughly speaking, there are two pools of students that this course should serve: (1) doctoral students seeking to find a suitable dissertation topic while reinforcing their theory and technical skills, and (2) first and second year graduate students searching for a course that applies economic principles to "real world" development problems, and conceivably even teaches some useful skills. This course will try to meet both sets of needs by varying the readings and course requirements, and by providing a few extra lectures on especially technical areas (e.g., dynamic optimization). Students will be asked to declare their focus, as this will determine their course requirements.

Beyond these general goals, the course raises some of the key unresolved issues in economic development -- understanding famines, underutilization of capacity in capital-scarce environments, when green revolutions occur and their consequences, the role of property rights in agricultural development, small farm vs. large farm productivity, determinants of productivity gains, and determinants of income and wage structures.

Requirements. (1) doctoral group. Classroom presentations (25%), final examination (35%), original research term paper (40%). The examination will be waived for those who submit their paper to a journal (subject to my approval). (2) applied group. Classroom presentations (15%), midterm exam (20%), final exam (30%), and policy paper (35%).
Readings. Chenery & Srinivasan, eds. Handbook of Development Economics. North-Holland 1989. optional, but will be used heavily. Other required readings will be distributed or put on reserve.

Course outline
I. Development Planning and Computer Models
   1. Structural Change (Jan 9)
   2. Simple planning tools: Two-Gap and Harrod-Domar Models, and Decomposition Techniques (Jan 14)
      (2A. Doctoral group only: Analytical multi-sector optimization models)
   3. Static Input-Output and Social Accounting Matrix Models (Jan 16, 21)
   4. Dynamic IO Models (Jan 23)
   5. General Equilibrium Models (Jan 28)
   6. Applications: India, South Africa, Cameroon and Indonesia (Jan 30)

II. Agricultural Development
   1. Agricultural supply responses (Feb 4)
   2. Efficiency and farm size (Feb 6)
   3. Sharecropping: efficient or inefficient (Feb 11, 13)
   4. Property rights, land and capital markets, and rural development (Feb 18)
   5. Green revolution: adoption and uncertainty (Feb 20)
   6. Green revolution: output effects and labor demand (Feb 25)
   7. Land reform and agricultural output (Feb 27)

Midterm exam March 4
   8. The economics of famines (March 6)

III. Population, Migration, Human Resources and Development
   1. Determinants and Consequences of Population growth (March 11, 13)
   2. Models of Labor Markets in Developing Countries (March 18)
   3. Migration and Urbanization (March 20)
   4. Skills Accumulation and the Wage Structure (April 1)
   5. Issues in health and nutrition (April 3)
   6. Demand for housing and patterns of urban development in developing countries (optional)

IV. Savings, Industrialization and Technology
   1. Savings Mobilization in Developing Countries (April 8)
   2. Financial Intermediation and Development (April 10)
   3. Industrial Structure, Industrialization and Development (April 15)
   4. Choice of Technique, Factor Substitution and Returns to Scale (April 17)
   5. Induced Innovation (April 22)
   6. Demand Patterns, Market Structure and Productivity Gains (April 24)
   7. Capacity Utilization in LDC Industry (April 29)
   8. Industrialization in the Periphery: Dependency and Other Radical Critiques (May 1)

Final Exam