

# ECON 4047: Development Economics

Last updated Jan 13, 2026

Most of the people in the world are poor, so if we knew the economics of being poor, we would know much of the economics that really matters. Most of the world's poor people earn their living from agriculture, so if we knew the economics of agriculture, we would know much of the economics of being poor.

– Theodore W. Schultz (1979)

A study of least developed countries is to economics what the study of pathology is to medicine: by understanding what happens when things do not work well, we gain insight into how they work when they do function as designed. The difference is that in economics, pathology is the rule: less than a quarter of mankind lives in the developed economies.

– Joseph E. Stiglitz (1989)

## Course Overview

This is a course about the microeconomics of development. We will use the tools of applied microeconomics—microeconomic theory as well as the various econometric methods used for causal inference—to study the behavior of individuals, households, and firms in developing countries.

You are expected to have an intuitive understanding of the basic principles of microeconomics, such as utility maximization and profit maximization. Because the material relies heavily on empirical findings, you should also have an intuitive grasp of basic statistics: linear regression, hypothesis testing, etc. I will provide quick overviews of these topics in the first few weeks for the benefit of those who are not familiar with them.

## Course Information

Time and Location: Tuesdays and Thursdays O'Brien 224 2pm-315pm

Professor: Stephen Pitts, SJ, PhD

Email: [stephen.pitts@marquette.edu](mailto:stephen.pitts@marquette.edu)

Office Hours: T and R 11am-12pm, 1pm-2pm, or by appointment

## Required Texts

J. Edward Taylor and Travis J. Lybbert. *Essentials of Development Economics*. Oakland, CA: UC Press, 2020.

Other articles and references posted on the D2L website.

## Time Expectations

This is a three-credit course. According to university policy, students are expected to work an **average nine hours per week** for one credit in the full spring and fall terms.

## Course Requirements

1. Reflection (20%)
2. Seminar Discussion (20%)
3. Midterm Exam (20%)
4. Final Project (40%)

### Reflections (20%)

Over the semester, students will complete in-class reflections on the readings. They can use handwritten notes from class or the textbook or annotated printouts of articles. They will turn in the notes with the reflections. These responses will help the students to begin thinking about the material before the class discussion itself. They will be graded on a scale of excellent (3pts), satisfactory (2pts), inadequate (1pt), or not completed (0pt).

### Seminar Discussion (20%)

Students will work in groups of 3-4 students to lead class discussion on one of the textbook chapters. The students will provide either a handout or an electronic presentation with the pertinent themes from the chapter and speak for about 30-45 minutes. They will design student-centered activities for the other portion of the class. These presentations will be graded on how effectively the students present the themes and elicits class discussion. After the presentation, the students will meet with the professor in his office hours to debrief.

### Midterm Exam (20%)

Students will individually complete an exam. They will complete this exam in class with the aid of printed out notes, which they will turn in with the exam.

### Final Project (40%)

Students will work in groups to investigate a concrete intervention related to one of the topics in a particular context. A separate rubric will describe the project. The final project will be presented in a poster session in the final exam period (Monday May 4 from 1030am to 1230pm).

## Basic Needs and Justice

This course satisfies the Basic Needs and Justice theme of the Discovery Tier of the Marquette Core Curriculum.

- 1) How do we define basic needs and justice?
- 2) What should individuals and communities be asked to sacrifice to contribute to the greater good and the creation of a just society?
- 3) To what extent are education, information, and knowledge basic needs?

## Peace Studies

This course is eligible for credit towards an interdisciplinary Peace Studies (INPS) major or minor, a degree that focuses on structural violence, conflict resolution, leadership, nonviolent social change, human rights, and restorative practices. For information on declaring, please contact the Center for Peacemaking ([jenna.harb@marquette.edu](mailto:jenna.harb@marquette.edu)) or the director of INPS ([louise.cainkar@marquette.edu](mailto:louise.cainkar@marquette.edu)). You can also visit [marquette.edu/peace-studies](http://marquette.edu/peace-studies).

## **Class Schedule**

### **Part I: Overview and Method**

Jan 13, 15: What Development Economics Is All About.

Jan 20, 22: What Works and What Doesn't.

Jan 27, 29: Methods Introduction.

### **Part II: Big Issues**

Feb 3, 5: Income

Feb 10, 12: Poverty

Feb 17, 19: Inequality.

Feb 24, 26: Human Development

Mar 3, 5: Midterm

### **Part III: Structures**

Mar 17, 19: Institutions

Mar 24: Work Day on Project Proposal

Mar 26, Mar 31: Agriculture

Apr 7: Structural Transformation

Apr 9: Guest Speaker on Food Insecurity

Apr 14, 16: Information and Markets.

Apr 21, 23: Finance

### **Part IV: Synthesis**

Apr 28, 30: Project Work Day

May 4: Project Presentation

## Course Policies

### In-Class Behavior

The seminar format of this class requires that we be present—to the content, to each other, and ultimately to ourselves—as we engage in the ancient discipline of the communal search for truth. Cell phone use is prohibited during class. In extraordinary circumstances, students may leave class to take phone calls or return text messages. Tablets and laptops may be used for academic purposes only. Disruptive students may be asked to leave the classroom.

### Communication with the Instructor

1. The best way to communicate with me is in person, either during class or after class in office hours.
2. The next best way to contact me is by email. I do my best to reply to your messages within 24 hours, but my responses will be within regular business hours (Monday thru Friday 9am-5pm).
3. I am also happy to meet with you after class, in my office hours, or at another time if you feel you need a discussion to clarify something. If you do, please email me first and we can set up a meeting.

### Marquette University policies:

1. *Academic integrity*: Students in this course are expected to comply with Marquette University's Academic Integrity Policy. Any student suspected of violating this obligation for any reason during the semester will be required to participate in the procedural process as outlined in the University's Procedures for Incidents of Academic Misconduct. The following is a link to the University's Academic Integrity Policy and the Procedures for Incidents of Academic Misconduct.  
<https://bulletin.marquette.edu/policies/academic-misconduct-policy/>  
<https://www.marquette.edu/provost/academic-integrity-overview-undergraduate.php>
2. *Generative AI*: The use of ChatGPT and other generative AI tools is only allowed when the assignment specifically allows it. In that case, a citation must indicate the question, the tool, and the original output of the AI system. The use of generative AI tools in a situation where it is not permitted will be considered as a breach of academic integrity.
3. *Disability service*: Please inform me during the first week of class if you have any conditions that may limit or affect your ability to participate in this course so that we can make necessary arrangements. You may contact the Office of Student Disability Services, 5<sup>th</sup> floor of the 707 building, for more information.
4. *Emergency plan*: Every Marquette University campus building has emergency shelter and evacuation plans. Please familiarize yourself with the plans of each building in which you take classes or attend meetings. Make sure to note the routes to the lowest level of the buildings for shelter during inclement weather, as well as exits from the buildings in the event of fire and other emergency.