Development Economics [EC490]

Summer 2020 Syllabus

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Lecture:

M,T,W,Th 12-2pm PDT

☐ On-line through zoom

Office hours:

② Right after class

On-line through zoom

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Course summary

Description: This papers-based course introduces several topics in the microeconomics of development, and will expose students to both theoretical and empirical tools used in development. While the official title of the course found in the course catalogue is "Economic Growth and Development", the focus is not on economic growth (EC 491 covers this topic). Instead, we will focus entirely on the "Economic Development" part of the title. That is, we are going to be less concerned about how economies grow and more about what are the economic issues that are specific to the daily lives of people living in developing countries, and explore the decision-making process of these households. Thus, we will take a very microeconomic approach, studying how people, households, and firms make economic choices when facing the conditions and constraints typical of poor countries. We will also develop the tools to critically evaluate development and poverty alleviation programs run by governments and non-governmental organizations (NGOs).

Course Objectives: This course will require you to develop two complementary skills. First, you must learn to read academic articles from empirical economics. You will find that, often, these articles are somewhat difficult, use a lot of econometrics, and a lot of math. Fortunately, you are not expected to understand everything, and generally you will be able to skip the hard mathematics. Our attention will be on understanding the rationale for the paper, how the research was conducted, and how to analyze the data (i.e., to interpret tables). Second, you will learn about program evaluation and randomized control trials (RCTs): How to use surveys, econometrics and statistics to measure the impact of projects designed to alleviate a problem in the developing world. This will deepen your understanding of econometrics.

Logistics

Lectures: We will meet through Zoom, you can find the link on Canvas. I will record the lecture and upload the video, slides and readings to Canvas. Attendance to class is not required, but highly encouraged. Summer courses are very fast and intense, it requires studying every day. You are responsible for all of the material in the slides and recorded lectures.

Canvas: Canvas will be our main resource and method of communication. Lecture recordings, slides, readings, exam preparation materials, and grades will be accessible through canvas so you can visit them as many times as needed. Quizzes and exams will be administered through Canvas.

Readings: There are no required books in this course. All readings are available on Canvas. Readings will be discussed in depth in class. You should read through these papers before class. We will also go over a number of specific case studies. These case studies are peer-reviewed, published policy evaluations of particular development programs. They will give you a good understanding of the way current development economists present their cutting edge work and add to our knowledge of development economics. I might add Op-Eds, Podcasts, or other material from time to time.

Here is a reference book that I strongly advise you to read:

•Poor Economics by Banerjee and Duflo (2011) Free online version! This is a fantastic and very readable book. You will see a lot of the papers discussed in class mentioned here. Duflo and Banerjee won the 2019 Economics Nobel Price for their work remodeling development economics in the past decade.

Grade Distribution: Grades for this class will be based on the items listed below.

2 Quizzes 20% Midterm Exam 35% Final Exam 45%

University Policies and Expectations

Honesty and academic integrity

You must do your own work. Do not claim credit for any work other than your own. Cheating or plagiarizing of any sort on any component of this class will result in a failing grade for the term and a report of the offense to the university. Please acquaint yourself with the Student Conduct Code.

Accessibility

If you have a documented need and would like accommodations in this course, please make arrangements with me during the first week of the term. Please request that the Accessible Education Center send me a letter verifying your accommodations.

Diversity

The University of Oregon is dedicated to the principles of equal opportunity and freedom from unfair discrimination for all members of the university community and an acceptance of true diversity as an affirmation of individual identity within a welcoming community. All of us associated with the course—you included—are expected to value each class member's experiences and contributions and to communicate disagreements respectfully. For additional assistance and resources, you are encouraged to contact the following campus services:

- Office of Equity and Inclusion: 541-346-3175 | oied.uoregon.edu
- Center on Diversity and Community: 541-346-3212 | codac.uoregon.edu
- Bias Response Team: 541-346-1134 | brt@uoregon.edu | bias.uoregon.edu

Sexual Violence and Survivor Support

The UO is committed to providing an environment free of all forms of discrimination and sexual harassment, including sexual assault, domestic and dating violence and gender-based stalking. If you or someone you know has experienced or experiences gender-based violence (intimate partner violence, attempted or completed sexual assault, harassment, coercion, stalking, etc.), know that you are not alone. UO has staff members trained to support survivors in navigating campus life, accessing health and counseling services, providing academic and housing accommodations, helping with legal protective orders, and more.

Please be aware that all UO employees are required reporters. This means that if you tell me about a situation, I may have to report the information to my supervisor or the Office of Affirmative Action and Equal Opportunity. Although I have to report the situation, you will still have options about how your case will be handled, including whether or not you wish to pursue a formal complaint. Our goal is to make sure you are aware of the range of options available to you and have access to the resources you need.

If you wish to speak to someone confidentially, you can call 541-346-SAFE, UO's 24-hour hotline, to be connected to a confidential counselor to discuss your options. You can also visit the SAFE website at safe.uoregon.edu.

Table 1: Tentative Course Outline:

Lecture	Table 1: Ientative Course Outline : Content
June 22	Introduction
June 23	IntroductionRead: Deaton (Introduction, chapter 1), Duflo: Economic Lives of the Poor
June 24	Methods: Regression Analysis
June 25	Methods: RandomizationRead: Glewwe et al (2009)
June 26	• Quiz 1 due
June 29	 Randomization contd, Health Read: Deaton (chapter 3), Strauss and Thomas (sections 1, 2, 4, 5, 6)
June 30	Health InterventionsRead: Dupas (2014), Dupas and Cohen (2011)
July 1	Methods: Difference in differences, Education
July 2	MIDTERM (On Canvas)Available all day
July 6	EducationRead: Psacharopoulous and Duflo
July 7	CCTs (conditional cash transfers)
July 8	CCTs continued
July 9	InsuranceRead: Ray, Udry (1990), Gine and Yang (2008)
July 10	• Quiz 2 due
July 13	CreditRead: Aleem, De Mel et al (2008)
July 14	Savings & MicrofinanceRead: Prina (2014), Dupas et al (2018)
July 15	ConclusionReview
July 16	FINAL (On Canvas)Available all day