

DEVELOPMENT ECONOMICS: EC410

Fall 2020
(As of September 1, 2020)

Instructor:	C. Luke Watson	Email:	watso220@msu.edu
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Time:	TR 3:00 – 4:15	Place:	Virtual—Zoom

Objectives: This class focuses on the extent, causes, and consequences of global poverty as well as evaluating policies to mitigate global poverty. By the end of the class, students will know the distribution of development indicators, the economic mechanisms that create and perpetuate poverty, and will be exposed to policy evaluation methods and causal inference. Students will develop the following skills: solving economic models, using statistical software to visualize and interpret data, and explaining economic reasoning to general audiences.

Course Page:

- D2L - Recordings, slides, assignments, solutions, optional reading

Office Hours:

- After class - TR 4:15 to 5:00, 'public' office hours
- Zoom Appointments - 'private' office hours, email me

Required Texts: The following books are required texts for class readings and assignments; however, any edition or version is acceptable.

- Michael P. Todaro and Stephen C. Smith, *Economic Development*, Pearson, 2015.
- Abhijit Banerjee and Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, PublicAffairs, 2012.

Computer Requirements: Students are expected to have computer and internet access for:

- Accessing class materials online via D2L, Zoom, and MSU Email
- Download and install the R programming language, Rstudio environment, and Rmarkdown document writing package.
 - I will show you how to do this on second day of class
 - Instructions and example code will be given for all assignments

Prerequisites: This class is designed for advanced economics majors with an understanding of intermediate microeconomics and calculus. Students should understand and be comfortable with solving systems of equations and taking derivatives.

Grading Policy: Homework (30%), Writing Assignments (25%), Midterm 1 (15%), Midterm 2 (15%), Midterm 3 (15%). The Final will be optional and can only help you; the final will go towards midterm points and can boost your class grade by *up to* 0.5 GPA points.

Important Dates:

- First Day of Class: 9/03/2020 [Thurs]
- Last Day of Class: 12/10/2020 [Thurs]
- Drop with Refund: 9/28/2020 [Mon]
- Drop without Grade: 10/21/2020 [Wed]
- Midterm 1: 10/05-09/2020 (Roughly) - Sections A and B
- Midterm 2: 11/09-13/2020 (Roughly) - Sections C
- Midterm 3: 12/07-11/2020 (Roughly) - Sections D
- Optional Final: 12/16/2020: 10:00am - 12:00pm [Wed]; Cumulative but Optional

Attendance and Recording Policy:

- 'Virtual Flipped Class' [**Required**] - Recorded lectures posted on D2L each Monday
Viewing lectures is required
- Tuesdays [**Required**] - Lab sessions, commentary on lectures
Tuesday live lectures will be recorded, attendance is required
- Thursday [**Suggested**] - Answer any questions, review assignments
Thursday live lectures will **not** be recorded, attendance is optional but highly recommended

Assignments: (More details when assigned)

- HW: Based on lecture and labs, there will be homework that reinforces the material that week
- Writing: Based on Poor Economics chapters, write an 'explainer' article/memo about the chapter
- Exams: Mix of multiple choice and short answer questions based on lectures, labs, and readings

Make-Up Policies:

- The default rule is no make up assignments.
- If you have an acceptable and documented excuse, then for midterms an alternative exam will be provided.

University Policies:

- [Spartan Code of Honor](#)
- [Academic Integrity](#)
- [RCPD Resources and Guidelines](#)
Please inform me of any accommodations prior to assignments so that we can make a plan

Email Policy:

- I **cannot** email you grades; you must check D2L
- If you have a question about class content or an assignment, then email Mr. Wang **first** — he will decide if I need to respond to the question
- If you have a question or need to inform me about a class policy, then email me for example: let me know if you have a job interview during class time
- How to write your email:
 - Put **EC410** in the title so we know that is high priority – someone will respond within 24hrs
 - If you have a question, then you must tell us what you did to answer the question yourself for example: “I don’t know how to do X even though I rewatched lecture Y.”
- Always use a respectful tone when emailing (good life advice)
 - This is the easiest way to get people to help you
 - No one wants to help someone who is rude or demanding
 - People change jobs frequently so a supportive professional network is important

Pandemic:

- Clearly we are all trying to forge ahead as best we can
- Higher education is based on interpersonal communication and teamwork, which has become a lot harder
- I want to maintain a high standard for the class and push you to learn, but I want to make it easier to meet that standard given that your job as students has become harder
- My plan is to let almost all the work be ‘open internet’ but **I will not tolerate cheating or plagiarism**
 - I will give you assignments where you might need to search for how to do something, this is completely fine – this is what people do ‘in the real world’
 - On some assignments, I will allow you to work together in groups
 - If you just copy someone else’s work, then this is cheating and will be reported
- If you think that there is something I should know regarding your ability to do classwork (long term or for a specific week), then please let me know as soon as possible so we can make a plan, for example:
 - if a family responsibility changes or you must do more aggressive quarantining, then we will figure out how to make sure you complete your assignments
 - if a situation is bad enough, then I may direct you to the Office of the University Ombudsman, which is an impartial office within MSU that helps in ‘conflict resolution’

Tentative Course Outline:**0 Introduction to Class**

1. Class logistics and expectations

Lab Set up R, RStudio, Rmarkdown

A Measuring Economic Development

1. How is economic development measured?
2. What is the distribution economic development around the world?

Lab Use data, calculate basic statistics, make plots and maps

B Economic Growth

1. Why are countries poor?
2. What causes economic growth?
3. How do we model economic growth?

Lab Simulate and solve growth models, plot dynamics

C Global Poverty and Policy Evaluation

1. What keeps people from growing richer?
2. What can make lives better?
3. What are current economic development policies taking place?
4. How do we evaluate development programs?

Lab Causal Inference, Statistical Power, RCTs

D Institutions, Migration, Environment

1. Why are institutions important for economic development?
2. What institutions are different for developing countries?
3. How does corruption and conflict affect economic development?
4. How does migration affect economic development?
5. How does the environment affect economic development?

Lab Replications

Chapters to Read of *Poor Economics*:

- Read Chapters: 1-5, 8-10, Conclusion (i.e., you can skip 6,7)
- Ch 1-5: about individuals
- Ch 8-10: about institutions
- Assignment details provided later