

Economics 4784: Economic Development

Spring 2020

M/W/F 10:00-10:50 AM

Room: ECON 119

Class Website through Canvas: <https://canvas.colorado.edu/>

No Class: Jan 20 (MLK Day), Mar 23-27 (Spring Break)

Professor Francisca Antman

Office: Economics 222

Office Hours: Thursday 9:00AM-12:00PM and by appointment

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Email: francisca.antman@colorado.edu (preferred method of contact)

Course Description

In this course we will explore empirical, theoretical, and policy issues surrounding economic development. These topics will include theories of economic growth, inequality, poverty, demographic change, and migration, as well as characteristics of land, labor, and credit markets in developing countries. Note that the field of development economics is very broad and so an introductory course will naturally vary from instructor to instructor. The approach taken in this course is to touch on many areas of interest to development economists to provide a broad introduction to the field.

Prerequisites: Economics 3070 (Intermediate Microeconomic Theory) or Econ 3080 (Intermediate Macroeconomic Theory), passed with a grade of C- or better.

Optional Textbook: Debraj Ray, *Development Economics*, Princeton University Press, 1998.

Grading

Midterm 1: 25%

Midterm 2: 25%

Final Exam (cumulative): 40%

Homework, In-class Exercises, Attendance & Participation: 10%

Class Policies

While there is no required textbook for this course, a significant portion of lectures are based on the textbook listed above. Thus, if you are having difficulty understanding a concept we have covered in class, you may find it useful to consult the textbook. The text covers far more material than will be discussed in class and I will present material in class that is not in the textbook, so it is in your interest to come to class. I will also assign articles from other sources that I would like you to read before coming to class. These assignments will generally be announced in class beforehand, so again, it is in your interest to come to class.

Throughout the semester, we will do exercises that will help prepare you for exams. These exercises will be posted on the course website along with questions that relate to some of the articles assigned for reading. Please do your best to prepare your own responses to these questions prior to class so that we may proceed to discuss your answers as a group. I may collect your

responses to the discussion questions and exercises at random points throughout the course. While these assignments may not be formally graded, I will count your level of effort on these exercises along with your attendance and potentially also your participation (e.g. answering questions posed to the class) throughout the course. Two lost participation points will be forgiven at the end of the semester. I may also present exam questions drawn from our class discussions, so it is important to take careful notes.

There will be two midterm exams during class time (see below for dates). Please review these dates carefully at the beginning of the semester. If you foresee any legitimate conflict with these dates, please see me as soon as possible. Otherwise, there is no excuse for missing an exam unless there is a medical or family emergency. In all other cases, failure to take an exam will result in a zero for that exam. If a legitimate emergency arises on the day of a midterm, the remaining exam(s) will be re-weighted; no make-up exams will be given.

If you miss a class, you are responsible for obtaining notes on the material we covered from another classmate. You are welcome to visit my office hours to discuss the material you missed, but not before you have gone over the material yourself through notes and the textbook if necessary.

University Policies

Accommodation for Disabilities

If you qualify for accommodations because of a disability, please submit your accommodation letter from Disability Services to your faculty member in a timely manner so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities in the academic environment. Information on requesting accommodations is located on the Disability Services website. Contact Disability Services at 303-492-8671 or dsinfo@colorado.edu for further assistance. If you have a temporary medical condition or injury, see Temporary Medical Conditions under the Students tab on the Disability Services website.

Classroom Behavior

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with race, color, national origin, sex, pregnancy, age, disability, creed, religion, sexual orientation, gender identity, gender expression, veteran status, political affiliation or political philosophy. For more information, see the policies on classroom behavior and the Student Code of Conduct.

Preferred Student Names and Pronouns

CU Boulder recognizes that students' legal information doesn't always align with how they identify. Students may update their preferred names and pronouns via the student portal; those preferred names and pronouns are listed on instructors' class rosters. In the absence of such updates, the name that appears on the class roster is the student's legal name.

Honor Code

All students enrolled in a University of Colorado Boulder course are responsible for knowing and adhering to the Honor Code. Violations of the policy may include: plagiarism, cheating,

fabrication, lying, bribery, threat, unauthorized access to academic materials, clicker fraud, submitting the same or similar work in more than one course without permission from all course instructors involved, and aiding academic dishonesty. All incidents of academic misconduct will be reported to the Honor Code (honor@colorado.edu); 303-492-5550). Students found responsible for violating the academic integrity policy will be subject to nonacademic sanctions from the Honor Code as well as academic sanctions from the faculty member. Additional information regarding the Honor Code academic integrity policy can be found at the Honor Code Office website.

Sexual Misconduct, Discrimination, Harassment and/or Related Retaliation

The University of Colorado Boulder (CU Boulder) is committed to fostering a positive and welcoming learning, working, and living environment. CU Boulder will not tolerate acts of sexual misconduct, intimate partner abuse (including dating or domestic violence), stalking, or protected-class discrimination or harassment by members of our community. Individuals who believe they have been subject to misconduct or retaliatory actions for reporting a concern should contact the Office of Institutional Equity and Compliance (OIEC) at 303-492-2127 or cureport@colorado.edu. Information about the OIEC, university policies, anonymous reporting, and the campus resources can be found on the OIEC website.

Please know that faculty and instructors have a responsibility to inform OIEC when made aware of incidents of sexual misconduct, discrimination, harassment and/or related retaliation, to ensure that individuals impacted receive information about options for reporting and support resources.

Religious Holidays

Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. For each class, check with your faculty member in advance so that you are aware of their specific requirements for accommodating religious observances.

See the campus policy regarding religious observances for full details.

Economics 4784 Tentative Course Outline Spring 2020

Note: The journals listed below can be accessed online from the University of Colorado library system at <http://libraries.colorado.edu/>. Readings may also be available on the class website through Canvas: <https://canvas.colorado.edu/>

- I. Introduction (Week 1: Jan 13-17)
 - A. Topics
 - 1. How should we measure economic development?
 - 2. What do development economists study?
 - 3. Development Goals
 - B. Readings
 - 1. Lecture Notes
 - 2. Article(s) from popular press, consult website
 - 3. Ray, ch. 1, 2 (optional)

NO CLASS Monday, Jan 20 (Martin Luther King, Jr. Holiday)

- II. Theories of Economic Growth (Week 2: Jan 22-24)
 - A. Topics
 - 1. Explaining cross-country income differences
 - 2. Convergence hypotheses
 - B. Readings
 - 1. Lecture Notes
 - 2. Article(s) from popular press, consult website
 - 3. Pritchett, Lant. 1997. "Divergence, Big Time." *Journal of Economic Perspectives*, 11(3): 3-17.
 - 4. Ray, ch. 3 (optional)
- III. Inequality (Week 3: Jan 27–31)
 - A. Topics
 - 1. Measuring inequality
 - 2. Inverted-U hypothesis
 - 3. Self-perpetuating inequality
 - B. Readings
 - 1. Lecture Notes
 - 2. Article(s) from popular press, consult website
 - 3. Ray, Debraj. 2010. "Uneven Growth: A Framework for Research in Development Economics" *Journal of Economic Perspectives*, 24(3): 45-60.
 - 4. Ray, ch. 6, 7 (optional)
- IV. Poverty (Week 4: Feb 3-7)
 - A. Topics
 - 1. Measuring poverty
 - 2. Poverty traps
 - B. Readings
 - 1. Lecture Notes

2. Article(s) from popular press, consult website
3. Banerjee, Abhijit and Esther Duflo. 2007. "The Economic Lives of the Poor." *Journal of Economic Perspectives*, 21(1): 141-167.
4. Schilbach, Frank, Heather Schofield, and Sendhil Mullainathan. 2016. "The Psychological Lives of the Poor," *American Economic Review, Papers & Proceedings*, 106(5): 435-440.
5. Besley, Timothy and Robin Burgess. 2003. "Halving Global Poverty." *Journal of Economic Perspectives*, 17(3): 3-22.
6. Ray, ch. 8 (optional)

Midterm 1 Prep and Exam (Week 5)

MIDTERM 1: Wednesday, February 12 in class

Midterm 1 Solutions in class following midterm

V. Population & Fertility (Week 6: Feb 17-21)

A. Topics

1. Demographic transition
2. Externalities within and across households

B. Readings

1. Lecture Notes
2. Article(s) from popular press, consult website
3. Dasgupta, Partha. 1995. "The Population Problem: Theory and Evidence." *Journal of Economic Literature*, 33(4): 1879-1902.
4. Ray, ch. 9 (optional)

VI. Environment (Week 7: Feb 24–28)

A. Topics

1. Economic growth and environmental quality
2. Environmental externalities

B. Readings

1. Lecture Notes
2. Article(s) from popular press, consult website

VII. Rural-Urban Interactions (Week 8: Mar 2 - 6)

A. Topics

1. Lewis model of surplus labor. Harris-Todaro model.
2. Migration, remittances and those left behind

B. Readings

1. Lecture Notes
2. Article(s) from popular press, consult website
3. Antman, Francisca M. 2013. "The Impact of Migration on Family Left Behind." Published in: A. Constant and K. F. Zimmermann eds., *International Handbook on the Economics of Migration*. Edward Elgar: Northampton, MA. (See course website for pre-publication version.)
4. Yang, Dean. 2011. "Migrant Remittances." *Journal of Economic Perspectives*, 25(3): 129-52.

5. Ray, ch. 10 (optional)

VIII. Land & Labor Interactions (Week 9: Mar 9 -13)

A. Topics

1. Sharecropping, fixed rent, and fixed wage contracts
2. Land titling

B. Readings

1. Lecture Notes
2. Article(s) from popular press, consult website
3. Field, Erica. 2007. "Entitled to Work: Urban Property Rights and Labor Supply in Peru." *The Quarterly Journal of Economics*. 122(4): 1561-1602. (Optional.)
4. Ray, ch. 12, sections 1-3 (optional)

Midterm 2 Prep and Exam (Week 10)

MIDTERM 2: Wednesday, March 18 in class

Midterm 2 Solutions in class following midterm

NO CLASS Mar 23-27 (Week 11): SPRING BREAK

IX. Human Capital (Week 12: Mar 30 – Apr 3)

A. Topics

1. Returns to Schooling
2. Health & Nutrition

B. Readings

1. Lecture Notes
2. Article(s) from popular press, consult website
3. Strauss, John and Duncan Thomas. 1998. "Health, Nutrition, and Economic Development." *Journal of Economic Literature*, 36(2): 766-817.
4. Rosenzweig, Mark R. 2010. "Microeconomic Approaches to Development: Schooling, Learning, and Growth." *Journal of Economic Perspectives*, 24(3): 81-96.

X. Labor (Week 13: Apr 6 – 10 & Week 14: Apr 13 - 17)

A. Topics

1. Piece Rates
2. Women's Work
3. Child Labor

B. Readings

1. Lecture Notes
2. Article(s) from popular press, consult website
3. Edmonds, Eric and Nina Pavenik. 2005. "Child Labor in the Global Economy." *Journal of Economic Perspectives*, 19(1): 199-220.
4. Mammen, Kristin and Christina Paxson. 2000. "Women's Work and Economic Development." *Journal of Economic Perspectives*, 14(4): 141-164.
5. Ray, ch. 13, section 4 (optional)

XI. Credit Markets (Week 15: Apr 20 – 24)

A. Topics

1. Moral hazard and adverse selection
2. Formal and informal credit markets
3. Microfinance

B. Readings

1. Lecture Notes
2. Article(s) from popular press
3. Cull, Robert, Asli Demirguc-Kunt, and Jonathan Morduch. 2009. "Microfinance Meets the Market." *Journal of Economic Perspectives*, 23(1): 167-192.
4. Banerjee, Abhijit V. and Esther Duflo. 2007. "Giving Credit Where It Is Due." *Journal of Economic Perspectives*, 24(3): 61-80.
5. Ray, ch 11, 14.1 14.2, 14.5 (optional)

XII. Review (Week 16: Apr 27- 29)

FINAL EXAM (CUMULATIVE): SATURDAY MAY 2, 4:30PM-7PM