

ECON 676: Economic Development

Spring 2016

Instructor: Dr. Jacob Goldston

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Office hours: I will be in the office next to our classroom 30 minutes before each class.

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Prerequisites: ECON641, ECON642; and must have completed or be concurrently enrolled in ECON645.

Course Description: The class will use economic theory and empirical evidence to understand important questions in the field of development economics. Each meeting of the class is designed to be self-contained, but some broad topics within the field will be considered in more than one of the meetings. The broad topics include: poverty, inequality and growth; agricultural markets; credit markets; risk and insurance; and the development of human capital. Course readings will include textbooks, policy pieces, and academic articles.

Course Objectives: Students will develop their skills in theoretical and empirical analysis. They will apply these skills to questions related to development economics. They will be required to present their work verbally (in writing), mathematically, and empirically based on appropriate econometric analysis of data. Emphasis will be on the analysis of policy at the national level.

Class Meets: Wednesday 6:45-9:30. This will usually be 2 distinct class periods with a 15-minute break between them.

Textbooks:

Banerjee, Abhijit and Esther Duflo. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. PublicAffairs, 2012. (Abbreviated BD in reading list below.)

Todaro, Michael and Stephen P. Smith. *Economic Development, 11th / 12th edition.*, Pearson, 2012/2015. (Abbreviated TS in reading list below.)

We will also read individual chapters from an additional book:

Easterly, William. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. MIT Press. 2002.

These chapters, and selected other readings will be accessible on the course's ELMS site.

Statistical Software: Our program's curriculum is designed to use Stata as the statistical software. Other leading statistical software packages include SAS and R. We have decided to focus on one package to enhance the continuity across courses in our program. A more superficial familiarity with

multiple packages might be just as good as a deep understanding of a single package. But working with multiple packages would also result in less time to learn econometrics.

Students in our program should purchase Stata. Stata offers different "flavors" and different lengths of license. Price varies according to these two factors. A description of the flavors is given here:

<http://www.stata.com/products/which-stata-is-right-for-me/>

Stata offers student discounts via the "Gradplan":

<http://www.stata.com/order/new/edu/gradplans/>

The least expensive appropriate option is \$75 for a 6-month license for "Stata IC". A one-year license is \$125, and a perpetual license (which never expires) is \$198. We do not recommend "Small Stata". Small Stata is too limited for the coursework our program.

Under the Gradplan, you may install Stata on up to three different computers. You may also eventually upgrade your version of Stata and your license, at a discount, if you wish.

Course Website: Copies of the course syllabus, your grades, and other relevant links and documents will be posted on the course's ELMS/Canvas website. You can access the site via www.elms.umd.edu. You will need to use your University of Maryland "directory ID" and password.

Email: Email is the primary means of communication outside the classroom, and I will use it to inform you of important announcements. Students are responsible for updating their current email address via <http://www.testudo.umd.edu/apps/saddr/> AND for paying attention to messages I send to the class via ELMS. Failure to check email, errors in forwarding email, and returned email due to "mailbox full" or "user unknown" will not excuse a student from missing announcements or deadlines. I will do my best to respond to email within 36 hours.

Course Outline: (I will announce changes to this schedule, if any, in “announcements” on ELMS.)

<u>Week</u>	<u>Date</u>	<u>Topics</u>	<u>Textbook readings</u>	<u>Other required readings</u>	<u>Assignments Due</u>
1	March 2	Introduction and the facts of life	BD forward; TS Ch. 1-2	World Bank 2014. <i>More Jobs, Better Jobs: A Priority for Egypt</i> . (Chapters 1-2, available online)	
2	March 9	Theories of growth	TS Ch. 3-4	Easterly, William. 2003. <i>The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics</i> (Chapters 2-3)	
3	March 16	Poverty and inequality; nutrition and the poverty trap	BD Ch. 1; TS Ch. 5	World Bank. 2015. <i>Tanzania Mainland Poverty Assessment</i> (excerpts, available online) Kraay, Aart, and David McKenzie. 2014. “Do Poverty Traps Exist? Assessing the Evidence.” <i>Journal of Economic Perspectives</i> 28 (3).	Memo #1
4	March 23	Agriculture	TS Ch. 9	Excerpted papers from the World Bank project "Agriculture in Africa -- Telling Facts from Myths" (available online)	Problem set #1
5	March 30	Migration and urbanization	TS Ch. 7	World Bank 2014. <i>More Jobs, Better Jobs: A Priority for Egypt</i> . (Chapter 3) World Bank 2013. <i>Urbanization beyond Municipal Boundaries: Nurturing Metropolitan Economies and Connecting Peri-Urban Areas in India</i> (excerpts, available online)	Memo #2
6	April 6	Human capital (health and education)	BD Ch.3-4; TS Ch. 8	TBA	Problem set #2
7	April 13	Fertility and population growth	BD Ch.5; TS Ch. 6	World Bank 2014. <i>More Jobs, Better Jobs: A Priority for Egypt</i> . (Chapter 4, available online) Pritchett, Lant. 1994. “Desired Fertility and the Impact of Population Policies.” <i>Population and Development Review</i> 20 (1)	
8	April 20	Microfinance and microentrepreneurship	BD Ch.6-9	Blattman, Christopher, Nathan Fiala, and Sebastian Martinez. 2014. “Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda.” <i>Quarterly Journal of Economics</i>	Memo #3

9	April 27	Aid & macrofinance	TS Ch. 14-15	TBA	Problem set #3
				Mansuri, Ghazala and Vijayendra Rao. 2013. <i>Localizing Development: Does Participation Work?</i> (excerpts, available online)	
10	May 4	Political economy	TS Ch. 11; BD Ch. 10	Goldston, Jacob. 2015. "Two Credibility Problems are Better Than One: Microcredit and Local Politics in Rural India". Working paper. (available online)	Outline of final paper/presentation
11	May 11	Student presentations	--	--	
12	May 18	Student presentations	--	--	Final paper

Grading:

1) Online discussions (5% of course grade)

I will open an online discussion by midnight every week after class. I will begin one or more threads of the discussion with questions that follow from things that came up during class. The discussions will remain open for 24 hours. Students must post at least one – and no more than three – contribution(s) to an online discussion each week. I will check in once around mid-day, and once in the late afternoon/early evening to respond to what has been posted and to redirect the discussion as necessary. The online discussions will be graded according to a rubric that I will post on the course website.

2) Three problem sets (25% of course grade)

I will assign 3 problem sets. These problem sets will be a mix of empirical, mathematical, and short response questions. Students may discuss the problem sets with each other, but they should not copy each other's work. Each student must turn in his or her own individual solutions to the problem sets. If the graders notice that two or more students have exactly copied answers, all the students involved will receive grades of zero for those problems.

3) Three memos (25% of course grade)

I will assign 3 memos. These memos will be short, written pieces that will assess students' ability to apply knowledge of economic theory and interpretation of data to policy. They will require students to identify and consult sources not provided on the reading list for background information and data. They will be graded on the accuracy of responses to specific parts of each assignment, clarity and correctness of reasoning, and on the quality of writing and presentation. Students may discuss memo assignments with fellow students, but should not share drafts with each other. Each student must turn in his or her own memo.

Memos must be submitted on ELMS. Memos submitted after the due date and time will receive a grade of zero.

4) Final paper and presentation (40% of course grade)

Students will be required to complete a research term paper during the semester and make a 15 minutes presentation during the last two weeks of class. These papers must present empirical evidence (preferably regression analysis or similar quantitative methods), and engage substantively with economic theory and public policy. They should be roughly 7,000 – 10,000 words. Students will submit an outline of their paper and presentation one week prior to the beginning of student presentations.

5) In-class participation (5% of course grade)

I will evaluate students based on their participation in class discussions and in-class exercises. These may include occasional quizzes or group written assignments.

Final Course Grades

Students' grades on each component of the course will be weighed according to the scale above to calculate their numerical course grade. I do not grade on a curve. The numerical course grades will be translated into letter grades as follows:

93-100	A
90-92	A-
80-89	B+
70-79	B
60-69	B-
50-59	C+
40-49	C
30-39	C-
20-29	D+
10-19	D
0-9	F

I might give an A+ to a student or two at the very top of the class' grade distribution.

Standard Program and University of Maryland Polices

Contact Hours: Three credit courses at the University of Maryland require a minimum amount of contact between instructors and students. Our courses' 12 weekly 3-hour meetings only satisfy 80% of the university's contact requirement. The other 20% is usually satisfied by mandatory and graded online contact. Instructors have some discretion in how they structure the online component of their course. In principle, the contact hours requirement could also be satisfied by scheduling 3 additional 3-hour meetings per term, or one additional 45-minute meeting per week. The online components of our courses are a more flexible way to ensure that our program's courses provide the same level of student-instructor contact as a traditional 15-week, face-to-face, 3-credit course at the University of Maryland.

Work Load: Mastering the material covered in this course requires a significant amount of work outside of class. Students should expect to spend more time outside of class than in class – typically at least twice as much time. The courses in our DC program are 12-week courses that cover all the same material as a traditional semester-long 3-credit course (15 weeks). The compressed schedule makes it possible to complete our degree in just 15 months if you take 2 courses each term. But the compressed schedule also implies an accelerated pace with more work per week. Taking 1 of our courses per quarter is equivalent to 67% of a full-time load. Taking 2 courses per quarter is equivalent to 133% of a full-time load. Students who take 2 courses per term in our DC program should expect to do 25-33% more work per week than a student in a full-time master's degree program.

Academic Integrity: The University of Maryland has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards applicable to all undergraduate and graduate students, and you are responsible for upholding these standards as you complete assignments and take exams in this course. Please make yourself aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information see www.studenthonorcouncil.umd.edu.

Student Conduct: Students are expected to treat each other with respect. Disruptive behavior of any kind will not be tolerated. Students who are unable to show civility to one another or myself will be referred to the Office of Student Conduct. You are expected to adhere to the Code of Student Conduct.

Medical Excuses: If you miss any class meetings for any reason, you are still responsible for all material covered during the meeting you missed. It is your responsibility – not the instructor's – to get yourself caught up in the course.

If you need to miss an exam or other course deadline because of illness, injury, or some other emergency: Follow doctor's orders and get documentation. Get in touch with the instructor as soon as you're able – preferably prior to missing the exam or deadline. Communicate with the instructor to make up the course requirement as soon as possible. You are entitled to recover before you make up the course requirement, but you are not entitled to extra days to study beyond the time the doctor's note says you're incapacitated. If you are incapacitated for more than a week or so beyond the end of the term, your grade in the course will be an "Incomplete". Once you make up the course requirement the instructor will change your "I" to the appropriate letter grade.

School Closings and Delays: Information regarding official University closing and delays can be found on the campus website and the snow phone line: (301) 405-SNOW (405-7669).

Students with Disabilities: The University of Maryland does not discriminate based on differences in age, race, ethnicity, sex, religion, disability, sexual orientation, class, political affiliation, and national origin. Reasonable accommodations will be made to students with documented disabilities. I will make every effort to accommodate students who are registered with the Disability Support Services (DSS) Office and who provide me with a University of Maryland DSS Accommodation form.

Academic Progress: The graduate school requires that students maintain a GPA of at least 3.0. Students whose cumulative GPA falls below 3.0 will be placed on academic probation by the graduate school. Students on academic probation must ask the program's director to petition the graduate school if they want to remain in the program. The petition must include a plan for getting the student's GPA up to at least 3.0. Students who do not live up to their plan can be forced to leave the program without having earned the degree.

Building Access: The door to the building at 1400 16th Street is unlocked on weekdays until 7:00 p.m. Students who arrive after 7:00 will find the door locked. The building's security guard is stationed at a desk just inside the door until 11:00 p.m. and will let you in. You can also call the phone on the security guard's desk by dialing (202) 328-5158. If the security guard happens to be away from his or her desk when you arrive, you can pick up the black phone to the right of the door at 1400 16th Street. You will be connected to the company that handles security for our building. If you tell them you are with the University of Maryland, they should ask you for a password. The password is "Drawbridge". When you tell them the password, they will be able to unlock the door for you.