

University of Maryland
Master of Science in Applied Economics Program

Syllabus for ECON 676: Economic Development (Online Course)

Spring 2021, College Park Campus

Instructor: Dr. Steven Payson, SPayson@umd.edu (The cell number, provided by email, is to be called only during reasonable hours - email is highly preferable.)

Prerecorded Presentations: Students are expected to watch pre-recorded presentations which will be provided each week. These presentations will include lectures prepared by the instructor, as separate PowerPoint, animated video files. They will generally be broken into 15-20-minute segments. Other presentations will include online presentations (usually available through YouTube) by leading experts in the field of economic development, generally in venues such as “Ted Talks” or short documentaries.

Virtual Class Hours: Each Wednesday evening there will be two 45-minute live Zoom meetings, from 6:45 to 7:30 PM, and from 8:30 to 9:15 PM.

Office hours: Monday 5:30-6:15 by appointment, with other days and times also possible by appointment. Students should notify the instructor by email in advance that they would like to have an office-hour meeting by Zoom or by phone (including during the office hours on Monday. Please allow at least 24 hours prior notice for a meeting request, as opposed to requesting one at the last minute, to ensure that your request will be seen and responded to within a reasonable time.

Teaching Assistant: TBD

Prerequisites: ECON 641, ECON 642; and must have completed, or be currently enrolled in, ECON 645.

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; and the development of human capital (i.e., health and education). Course readings will include textbooks, policy pieces, and academic articles.

Course Objectives

Our Masters in Applied Economics Program has the following seven general learning outcomes, all of which pertain to this course:

1. Ability to understand, evaluate and analyze economic data
2. Ability to understand and interpret statistical evidence from economic data
3. Ability to apply empirical evidence to assessing economic arguments
4. Ability to apply macroeconomic theories to policy discussions
5. Ability to apply microeconomic theories to policy discussions
6. Ability to communicate economic ideas to a broader audience
7. Ability to evaluate the effectiveness of policy programs using sound economic techniques

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 before an audience, in writing, mathematically, and empirically based on appropriate econometric analysis of data. Emphasis will be on the analysis of policies and their impacts.

Textbooks and Other Required Reading:

Banerjee, Abhijit and Esther Duflo. *Poor Economics*. Public Affairs. 2011. (“B” in class schedule.)

Deaton, Angus and Nancy Cartwright, “Understanding and Misunderstanding Randomized Controlled Trials,” NBER Working Paper 22595, October 2017,
<https://www.nber.org/papers/w22595.pdf> (“D”)

Schaffner, Julie. 2013. *Development Economics: Theory, Empirical Research, and Policy Analysis*. First Edition. Wiley. (“S”)

World Bank. 2019. World Development Report: The Changing Nature of Work. (freely available online at: <https://www.worldbank.org/en/publication/wdr2019>) (“W”)

Other suggested readings will be posted on the course’s ELMS site during the semester.

Statistical Software: Stata (version 13 or above, preferably version 14, 15, or 16)

General Description of the Class Timeline, Assignments, and Grading

Students will be graded on the basis of two factors: (1) a midterm examination on the course material presented during the *first half* of the semester, and (2) specific assignments associated with a *final report* that will be due on the last day of the class. This class will not have a final examination.

Four problem sets will be assigned to help students prepare for the midterm. The problem sets are ungraded, but students are strongly encouraged to complete them. They will be due on their deadline dates prior to the start of class, and will be discussed on that day in class.

The table below shows the grading method, where “points” and “percent of grade” are synonymous. Thus, the midterm will account toward 35 percent of the grade, while the various assignments associated with the final report will collectively account for 65 percent. Students will receive four interim assignments to guide their production of the final report, followed by a video presentation of the report for the class and instructor, and then the submission of the final report. The report will consist primarily of a standard written portion, but will also require a technical appendix showing the data and Stata programming involved in acquiring the report’s findings. (The empirical results should thus be entirely reproducible from what is provided in the report.) In studying for the midterm students should focus primarily on the material presented in lectures and in the problem sets. Most of the lecture material will be shown in PowerPoint slides, made available in ELMS. Students should study all of the assigned reading as well, which will enable them to better understand the material covered in class.

Grading Method		Points/ Percent of Grade
Problem Sets 1-4 (to help students prepare for the midterm)		0
Midterm Exam		35
Assignments for Report		
	Initial Suggested Research Topic, Justification, & Outline	0
	Revised Research Topic, Justification, & Outline	3
	Preliminary Data Collection (Shown in Stata)	2
	Final Data and Preliminary Empirical Findings (Shown in Stata)	5
	Ten-Minute Presentation to the Class	5
Final Report		
	Quality of the Written Portion of the Report	40
	Technical Appendix on Data and Empirical Results (Using Stata)	10
TOTAL		100

Students will be asked, early on, to think about their choice of a research topic for the report, and by the fourth class, as an assignment, they will provide an “Initial Suggested Research Topic, Justification, & Outline,” of their report. (Additional guidance will be given to students on what is expected for this assignment, and they will be encouraged to discuss it with the professor before deciding on a topic.) Students will receive no points for this assignment, but it will help them prepare the next “Revised Research Topic, Justification, and Outline,” which will account for 3 percent of the grade.

After the midterm exam, students will be expected to work expeditiously on their report, which will include data collection and analysis. Their next assignment will be preliminary data collection for their report, which they will show using Stata (accounting for 2 points), followed by another assignment that presents the final data and preliminary empirical findings (5 points). Feedback from the Instructor will be offered on each of these assignments to advise students in preparing their final report. Students will then be asked to deliver ten-minute presentations on their reports before the class based on their research and findings, worth 5 points, though the report need not be completed at the time of the presentation. The final report, due on the last day of class, will represent 50 percent of the grade, of which 40 percent will be based on the quality of the written portion of the report, and 10 percent will be on the report’s technical appendix (required for each report) displaying the data and the coding that was done in Stata.

Final Course Grades: Grades on each component of the course will be weighed by the scale shown above to calculate the numerical course grade. The grades will be translated into letter grades as follows:

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

Requirements of the Final Report

The final report should serve any one, or combination, of the following three purposes (where none of the three is preferable over another): (1) Address a relevant, current, real-world policy issue in development economics, applicable to a single developing nation or to a group of developing nations; (2) Explore an issue that relates significantly to the success of certain businesses or to the well-being of certain households (or individual household members) in one or more developing nations; or (3) Present and analyze newsworthy developments pertaining to economic development that are not well-known,

shedding light on the modern study of applied, economic development. The report should *avoid* complex economic models, or philosophical discussions of historical literature, that do not connect well to applied economic research. The report should be approximately 4,000 words in length (and in no case exceed 4,500 words), not including the words in the reference section and technical appendix.

Presentations: Students will prepare 10-minute presentations as video-recorded PowerPoint presentations, which they will submit on ELMS, due on April 28th. Students will be asked to see each other's videos and to provide written comments on them to share and discuss with the class. Students will receive instructions on how to prepare PowerPoint video recordings beforehand during one of the classes.

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

Email: The University has adopted email as 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.registrar.umd.edu/current/> (Under the first major heading of "Online Transactions" there is a link to "Update Contact Information".)

Work Load: Mastering the material covered in this course requires a substantial amount of work outside of class. Students should expect to spend much more time outside of class than in class.

Academic Integrity: The University of Maryland, College Park has a nationally recognized Code of Academic Integrity. This Code sets standards for academic integrity at Maryland for all undergraduate and graduate students. As a student you are responsible for upholding these standards for this course. It is very important for you to be aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information on the Code of Academic Integrity or the Student Honor Council, please visit <http://www.studentconduct.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.

Excused Absences: The University of Maryland's policy on excused absences is posted here: <http://www.president.umd.edu/administration/policies/section-v-student-affairs/v-100g>. Please note: 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 make sure you catch up on the missed material. Instructors routinely facilitate things by posting lecture notes, etc. If you need to miss an exam or other graded course requirement because of illness, injury, or some other emergency, then follow doctor's orders and get documentation. Inform the instructor as soon as you are 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 were 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". In such cases you must negotiate a plan with your instructor for completing the course requirements. Once you make up the course requirement the instructor will change your "I" to the appropriate letter grade.

Class Schedule (Subject to Revision as the Semester Proceeds)

Week #	Date	Topic(s)	Readings: (B, D, S, or W - see above)	Assignment Due on This Date
1	1/27	Introduction to Development Economics, and Well-Being	S: Ch. 1-2 (1-12, 16-31); B: Ch. 1 (1-16)	
2	2/3	Well Being (continued); Economic Growth	S: Ch. 3-4 (34-53, 57-80)	Problem Set #1
3	2/10	Poverty, Inequality, & Vulnerability; Family Planning	S: Ch. 5 (84-103) B: Ch. 5 (103-32)	Problem Set #2
4	2/17	Domestic Markets for Goods and Services, and Value Chains	S: Ch. 8 (174-99, 203-07)	Initial Suggested Research Topic, Justification, & Outline
5	2/24	Changing Nature of Work; Changing Nature of Firms; Building Human Capital; Lifelong Learning	W: Ch. 1-4 (18-31, 36-46, 50-64, 70-85)	Problem Set #3
6	3/3	Returns to Work; Strengthening Social Protection; Ideas for Social Inclusion; Investment and Financial Markets	W: Ch. 5-7 (92-102, 106-19, 124-36)	Problem Set #4
7	3/10	International Markets and General Equilibrium	S: Ch. 10-11; (251-74, 280-310)	Revised Research Topic, Justification, & Outline
	3/17	NO CLASS - SPRING BREAK		
8	3/24	(from 6:45 to 8:45 PM) Midterm Exam (2 hours)		
9	3/31	Cautions Regarding Statistical Inference; Institutions and Cooperation; Policy, Governance, and Political Economy	S: Ch. 12-13 (332-41, 346-50)	
10	4/7	Policy Analysis; Randomized Controlled Trials	S: Ch. 14 (377-90); D (1-59)	Preliminary Data Collection (Shown in Stata)
11	4/14	Entrepreneurship; Infrastructure Policies and Programs	B: Ch. 9 (205-34) S: Ch. 18 (471-87)	Final Data and Preliminary Empirical Findings (Using Stata)
12	4/21	Education; Policy, Governance, and Political Economy Continued	S: Ch. 19 (496-519); S: Ch. 13 (350-374)	
13	4/28	Agricultural Research and Extension; Microfinance	S: Ch. 20-21 (523-571)	Presentations Due
14	5/5	Microfinance (Continued)	B: Ch. 6-7 (133-82)	
	5/12	NO CLASS - READING DAY BEFORE FINAL EXAMES		
15	5/17	Public Health, Health Care, and Health Insurance	S: Ch. 22 (575-603)	Final Report Due - Includes Appendix with Stata Code & Data Tables; Comments on Video Due

UMD Counseling Center: Sometimes students experience academic, personal and/or emotional distress. The UMD Counseling Center in Shoemaker Hall provides comprehensive and confidential support services that promote personal, social, and academic success. The cost of these services is covered by the fees you already paid when you registered for classes, and there is no additional charge if you use the services. Proactively explore the range of services available, including the Counseling Service, Accessibility and Disability Service, Learning Assistance Service, and the Testing Office, all described at <http://www.counseling.umd.edu/>

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, or national origin. Reasonable accommodations will be arranged for students with documented disabilities. Students who have an accommodations letter from the Accessibility and Disability Service (ADS) should meet with me during the first few weeks of the semester to discuss and plan for the implementation of your accommodations. If you require reasonable accommodations but have not yet registered with ADS, please contact the Accessibility and Disability Service at 301-314-7682 or adsfrontdesk@umd.edu.

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. Note: a grade of "B" corresponds to a GPA of 3.0. A grade of "B-" corresponds to a GPA of 2.7.