

University of Maryland
Master of Science in Applied Economics Program

ECON 676: Economic Development
Syllabus, Fall 2021

Instructor: Prakash Loungani (loungani@umd.edu)

Time: Mondays, 6.45 to 9.30 pm, with 15 minutes of break in between.

Office hours: 5:00 - 5:45 PM, Wednesdays; additional meeting times by appointment.

Teaching Assistant: Kenji Higa-Flores (KenjiHF@umd.edu)

TA office hours: Friday, 5.30-6.30 pm (and by appointment)

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

Textbook: Todaro and Smith, Economic Development, *13th edition (2020)*, Pearson.

Course Objectives

The Applied Economics Program has the following learning outcomes:

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

All 7 pertain to this course. Students will develop their skills in theoretical and empirical analysis and apply them 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.

Course Description: The class will use economic theory and empirical evidence to understand important questions in the field of development economics. The course comprises three ‘modules’: (A) we’ll begin with a comprehensive look at indicators of development; (B) then look at models that provide a proximate explanation for how economic development occurs; (C) conclude with a deeper look at the determinants of economic development (policies and institutions).

	Content	Textbook Chapters
A	Indicators of Development; Interlinkages among Indicators <ul style="list-style-type: none"> Indicators of socio-economic development of nations: per capita income, life expectancy, health and educational attainment; environmental quality. Measures of poverty and inequality across and within countries. Linkages among indicators (e.g. incomes & health; incomes & the environment) 	1,2,5,6, 8,10
B	Growth & Development Accounting; Structural Transformation <ul style="list-style-type: none"> Accounting for development (role of factor accumulation & TFP) Transformation of economies from agriculture to manufacturing & services 	3, 4, 7, 9
C	Determinants of Development: Policies and Institutions <ul style="list-style-type: none"> How policies (e.g. openness to trade) and institutions (e.g. protection of property rights) shape economic development Role of specific policies: financial sector policies; openness to trade and foreign finance; industrial policies 	11, 12, 13, 14, 15

Class Schedule:

Class #	Date	Topic(s)	Textbook Chap. #	Assignments and Exams (% of grade)
1	8/30	Living Standards Comparative Development	1 2	
	9/6	<i>Labor Day – No Class (Make-up scheduled for Oct. 16)</i>		
2	9/13	Poverty, Inequality and Development Population Growth and Econ. Development	5 6	Assignment 1 (10%)
3	9/20	Human Capital: Health and Education in Economic Development	8	
4	9/27	Environment and Development	10	Assignment 2 (15%)
5	10/4	Growth and Development Accounting Economic Models of Growth and Development	3	
6	10/11	Economic Models (continued)	4	Midterm (25%)
7	10/16	Student presentations of first drafts of Report (note: Class is on Saturday, 11 am to 1.45 pm; make-up for 9/6 class)		
8	10/18	Urbanization and Rural-Urban Migration Structural Transformation	7 9	
9	10/25	Determinants of Economic Growth: Policies, Institutions, Geography		
10	11/1	Financial Market Policies Markets, State and Civil Society	15 11	Report (20%)
11	11/8	Int'l Trade and Development Strategy Foreign Finance, Aid and Development	12 14	
12	11/15	Final Exam (30%)		

Assignments and Exams

- The two assignments aim to provide students with hands-on experience in understanding the data on socio-economic indicators and investigating the linkages among them. Students will need to run regressions as part of these assignments so familiarity with standard statistical packages is expected.
- The mid-term will be a 1-hour exam to test understanding of key concepts through several questions that will require 'short answers'.
- The report is a short document (3000 words) tackling a policy topic or a brief research report. Examples of possible topics will be discussed early on in the class. The report will be due Nov. 1 (and we will use the make-up class on presentations of this report).
- The final exam will be comprehensive, but focused more on material in modules B and C.

Statistical Software: Stata or equivalent package.

Final Course Grades: Grades on each component of the course will be weighed according to the scale above to calculate their numerical course grade. The numerical course 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

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 an average of 25% more work per week in a given course ($15/12 = 1.25$). The normal full-time load in a master's program is 3 courses per semester, or 6 courses per year. The weekly work load when taking 2 of our DC courses per term is equivalent to the load from 2.5 "normal" 15-week courses - so $2.5/3.0=83\%$ of a full-time load. However, the DC program takes just 1 week off between terms. Students who take 2 courses per quarter in our program complete 8 courses per year. So over the course of a year, taking 2 courses per quarter in our DC program is equivalent to 133% of a "normal" full-time load in the traditional semester-based program ($8/6 = 1.33$).

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 and 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.

Academic Integrity: The University of Maryland has a nationally recognized Code of Academic Integrity. You should inform yourself about the UMD policies related to academic misconduct:

<https://www.studentconduct.umd.edu/home/current-students>. The exams in this course will ask students to affirm the UMD Honor Pledge: "I pledge on my honor that I have not given or received any unauthorized assistance on this assignment/examination." Cases of academic misconduct, including plagiarism and giving or receiving unauthorized assistance on exams, will be referred to the UMD Office of Student Conduct. If found responsible for academic misconduct, students can be subject to sanctions. The standard sanction for graduate students found responsible for cheating on exams is expulsion from the university.

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: 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”. 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.

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) The program director will also announce cancellation information to the program as an announcement on the program’s ELMS/Canvas site. This will generally be done by 1:00 p.m. on days when weather or other factors are an issue. If classes need to be cancelled during the semester, it may be necessary to move the final exam back a week so missed classes can be made up.

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, and the Testing Office, all described at <http://www.counseling.umd.edu/>

Graduate Academic Counselor: The UMD Graduate School also has an academic counselor available to support students who are having difficulty navigating mental health resources on campus, are considering a leave of absence and/or need assistance finding mental health care off campus. The Graduate Academic Counselor also facilitates bi-weekly Graduate Student Circle Sessions which provide an opportunity to learn about resources and connect with other graduate students. Students can learn more about the Graduate Academic Counselor by going to: <https://gradschool.umd.edu/gradcounselor>

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.

Course Evaluations: Near the end of the term, you will receive an email inviting you to submit a voluntary and anonymous course evaluation. Your feedback on courses will be very helpful in improving the quality of instruction in our program.

Covid-19 Information: Up-to date information about UMD Covid-19 policies and guidance are posted at <https://umd.edu/4Maryland>. Given the evolving nature of the pandemic, the guidance and policies are subject to change. The plans are always coordinated with state and county health officials, with additional guidance provided by the University System of Maryland. The focus will always be on the health and well-being of our entire campus community. We strongly urge all students, staff and faculty to read announcements they receive about Covid-related guidance and policy, and to stay familiar with the information posted at <https://umd.edu/4Maryland>. We thank you all for your individual efforts to help protect the collective health of our entire community.