

University of Maryland: Master of Science in Applied Economics Program

Syllabus for ECON 676: Economic Development, Spring 2022

Washington, DC Campus: 1400 16th Street, NW, Suite 140

February 28 - May 16, 2022

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.)

In-Person Classroom Time: Mondays, 6.45 to 9.30 pm, with a 15-minute break in between. (One additional class will be held on Friday, April 1st.)

Office Hours: Wednesday, 5:30-6:30 PM by Zoom, with other days and times possible by appointment. When requesting an office hours appointment at another day and time, students should email the request, stating their available times, at least 24 hours in advance, to ensure that their request will be seen and responded to within a reasonable time.

Online Discussions: Online discussions will be held through asynchronous discussion boards using the ELMS-Discussion utility.

Teaching Assistant: Rolando Hernandez (Rolando@umd.edu)

TA Zoom office hours: Saturdays, 5-6 PM, by Zoom meeting.

In arranging for a Zoom meeting with Rolando, it is highly preferable for students to email him before 4:00 PM on Friday (the day before), and to indicate in their email message the topic(s) they would like to discuss.

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; a higher version is preferable)

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.

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 instructor 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.

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

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 May 9th. 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.

Class Schedule (Subject to Revision as the Semester Proceeds)

Class #	Date	Topic(s)	Readings: (B, D, S, or W - see above)	Assignment Due on This Date
1	2/28	Introduction to Development Economics, and Well-Being	S: Ch. 1-2 (1-12, 16-31); B: Ch. 1 (1-16)	
2	3/7	Well Being (continued); Economic Growth Models	S: Ch. 3-4 (34-53, 57-80)	Problem Set #1
3	3/14	Poverty, Inequality, & Vulnerability; Family Planning	S: Ch. 5 (84-103) B: Ch. 5 (103-32)	Problem Set #2
	3/21	NO CLASS - SPRING BREAK		
4	3/28	Domestic Markets for Goods and Services, and Value Chains	S: Ch. 8 (174-99, 203-07)	Initial Suggested Research Topic, Justification, & Outline
5	4/1 FRIDAY	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	4/4	Returns to Work; Strengthening Social Protection; Ideas for Social Inclusion	W: Ch. 5-7 (92-102, 106-19, 124-36)	Problem Set #4 Due Wednesday 4/6
7	4/11	(from 6:45 to 8:45 PM) Midterm Exam (2 hours)		
		Cautions Regarding Statistical Inference	(Lecture Notes Provided)	
8	4/18	Investment and Financial Markets; Microfinance; International Markets and General Equilibrium	S: Ch. 10-11 (251-74, 280-310), 21 (548-71); B: Ch. 6-7 (133-82)	Revised Research Topic, Justification, & Outline
9	4/25	Cooperation; Policy, Governance, and Political Economy	S: Ch. 12-13 (332-74)	Preliminary Data Collection (Shown in Stata)
10	5/2	Policy Analysis; Randomized Controlled Trials	S: Ch. 14 (377- 90); D (1-59)	Final Data and Preliminary Empirical Findings (Using Stata)
11	5/9	Entrepreneurship; Infrastructure Policies and Programs	B: Ch. 9 (205-34) S: Ch. 18 (471-87)	Video Presentations Due
12	5/16	Education; Agricultural Research and Extension; Public Health, Health Care, and Health Insurance	S: Ch. 19 (496-519); Ch. 20 (523-44); 22 (575-603)	Final Report Due - Includes Appendix with Stata Code & Data Tables; Comments on Videos Due

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, where they will need to use their University of Maryland "directory ID" and password.

Other Standard Policies for the Program and the University of Maryland: Policies related to all graduate courses at the University of Maryland are posted on this page of the Graduate School's website: <https://gradschool.umd.edu/faculty-and-staff/course-related-policies>. Students should familiarize themselves with the policies related to academic integrity, non-discrimination policy, accessibility, absences and accommodations, grading, academic standing, grievance procedures, and other important topics.

Email: The University has adopted email as the primary means of communication outside of the classroom, and the instructor will use it to inform students of important announcements. The University creates an "@umd.edu" email address for every graduate student. All official UMD communications will be sent to students at their "@umd.edu" email address. Students are responsible for reading their @umd.edu email, including ELMS/Canvas Announcements that are sent to the class. Students should make sure that ELMS/Canvas Announcements and messages are forwarded to an email address that they check regularly. 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. The instructor will do their best to respond to email within 36 hours.

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.

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 for students to complete the degree in just 15 months if students take two courses each term. However, the compressed schedule also implies an accelerated pace with an average of 25 percent more work per week in a given course ($15/12 = 1.25$). The normal full-time load in a master's program is three courses per semester, or six courses per year. The weekly workload when taking two of our DC courses per term is equivalent to the load from 2.5 "normal" 15-week courses, or $2.5/3.0 = 83$ percent of a full-time load. In addition, the DC program takes just one week off between terms. Students who take two courses per quarter in our program complete eight courses per year. Therefore, over the course of a year, when students take two courses per quarter in our DC program it is equivalent to 133 percent of a "normal" full-time load in the traditional semester-based program (since $8/6 = 1.33$).

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. 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 raising the student's GPA to at least 3.0. Students who do not adhere to their plan can be required to leave the program without having earned the

degree. Students should note that a grade of "B" corresponds to a GPA of 3.0. A grade of "B-" corresponds to a GPA of 2.7.

Excused Absences: If students miss any class meetings for any reason, it is their responsibility to work with the instructor to make sure they are able to absorb the missed material. Instructors routinely facilitate the process by posting lecture notes, etc.

If a student needs to miss an exam or other graded course requirement because of illness, injury, or some other emergency, they should do the following (if the problem involved a health issue): Follow doctor's orders and get documentation. Notify the instructor as soon as they are able – preferably prior to missing the exam or deadline. Communicate with the instructor to make up the course requirement as soon as possible. Students are entitled to recover before they make up the course requirement, but they are not entitled to extra days to study beyond the time that the doctor's note states that they were incapacitated. If students are incapacitated for more than one week beyond the end of the term, their grade in the course will be an "Incomplete". In such cases they must negotiate a plan with their instructor for completing the course requirements. Once they make up the course requirement their instructor will change their "I" grade 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. When classes need to be canceled during the semester, the university will make every effort to schedule makeup classes.

UMD Counseling Center: Sometimes students experience academic, personal, or emotional distress. The UMD Counseling Center in Shoemaker Hall provides free, comprehensive, and confidential counseling and mental health services that promote personal, social, and academic success. All Counseling Center services are completely free for enrolled students. Students should proactively explore the range of services available at the Counseling Center, including the Counseling Service and Accessibility and Disability Service 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, 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 for students to learn about resources and connect with other graduate students. Students can learn more about the Graduate Academic Counselor at: <https://gradschool.umd.edu/gradcounselor>.

Course Evaluations: Near the end of the term, students will receive an email message inviting them to submit a voluntary and anonymous course evaluation. Their feedback on courses will be very helpful to the university for improving the quality of instruction in its program.

Building Access: There is a smartphone app that can be used to enter our building after normal business hours. The program coordinator will provide information about this. Students will also be provided with information about the code for entering the front door of the suite. Students should make sure that they are receiving the ELMS-Announcements that are sent out about these and other important matters.

