

University of Maryland: Master of Science in Applied Economics Program

Syllabus for ECON 676: Economic Development, Fall 2023

College Park Campus, Tydings Hall, Room 2106

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, 6.30 to 9.15 pm, with a 15-minute break in between.

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 Assistants: Linh Bao (Jacqueline) Nguyen, tbnguyen@umd.edu, from 8/28 to 10/1, and 11/12 to 12/11; and Kartikeya Batra, kbatra01@umd.edu, from 10/2 to 11/12.

TA Zoom office hours: TBD

Prerequisites: ECON 641, ECON 642; and must have completed, or be currently enrolled in, ECON 644.

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**

Those outcomes receiving the most attention in the class will be #1,2,3 and 7.

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.

Course Materials

Required Texts

Alain de Janvry and Elisabeth Sadoulet, *Development Economics: Theory and Practice*, Second Edition, Routledge, 2021.

World Bank, World Development Reports 2020 and 2023 {electronic copies available online for free at} <https://www.worldbank.org/en/publication/wdr/wdr-archive>

2020: Trading for Development in the Age of Global Value Chains
2023: Migrants, Refugees, and Societies

Required Article

Deaton, Angus and Nancy Cartwright, “Understanding and Misunderstanding Randomized Controlled Trials,” NBER Working Paper 22595, October 2017, {available online for free at} <https://www.nber.org/papers/w22595.pdf>

Video Recordings and Suggested Readings: Video recordings and suggested readings will be posted on ELMS.

Statistical Software: Stata

General Description of the Class Timeline, Assignments, and Grading

The table below, provides a brief description of the various course requirements and the grading method, where “points” and “percent of grade” are synonymous.

| Course Requirements | Points (%) |
|--|------------|
| Online Discussions in ELMS: Active and thoughtful participation in five discussions (each worth 1 point). | 5 |
| Research Paper Proposal and Outline: Approximately 500 words, some of which can be recycled into the research paper. | 5 |
| Midterm Exam: Covers material learned in the first half of the class. | 30 |
| Powerpoint Presentation of Research Paper: About 10 minutes, recorded for the class to see on their own time and provide feedback to the author. | 5 |
| Research Paper: Approximately 2,000 words. It will involve empirical research and statistical analysis. (A detailed description is provided below.) | 25 |
| Final Exam: Covers only the material introduced after the midterm. | 30 |
| Total | 100 |

Research Paper

The paper 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 nations; (2) Explore an issue that relates significantly to the success of certain businesses or to the well-being of certain households in one or more developing nations; or (3) Present and analyze newsworthy developments pertaining to development economics that are not well-known, shedding light on the modern study of development economics. The paper should avoid complex economic models, or philosophical discussions of historical literature, that do not connect well to applied economic research or practice. The paper should connect what we have been learning in class, on economic theories and econometric techniques, to the topic being explored. Of critical importance in the paper is how well the data were understood and interpreted.

It is often easy these days for someone to get ahold of data, produce some graphs and run some regressions, and describe whatever they see. However, as we will learn in the class, the quality of any economic research rests on the extent to which careful thought is given to how variables are measured, and to what interrelationships exist among them. This kind of careful thought will be expected in the paper.

Students are also asked to explore any topic of their choice that does not focus on a specific developing country to which they, themselves, have a close connection (such as citizenship in that country, or personal experience living there most of their lives). The reasons for this restriction are threefold: (1) Students may have an unfair advantage in describing, in their paper, circumstances that they, themselves are already familiar with, without needing to perform research on it; (2) students may have strong personal views about a nation's economic policies or economic history, and may then "take personally" any critical review of their analysis or policy positions; (3) students may be privy to information sources about the country that are not publicly available, and which, if used, will weaken the instructor's ability to independently assess the student's work on the basis of those resources. Since any affiliation that a student may have with any country is a personal and private matter, students will simply be asked to honor this restriction on their own (in the context of an honor system).

The paper should be approximately 2,000 words in length (and in no case exceed 2,500 words). This word count does not include numbers or headings in tables and figures, words in the reference section, or Stata code or output (such as words in a regression table, or in a graph, etc.).

About halfway between the start of the class, and the midterm, students will be asked to provide a preliminary proposal and outline of their paper, which should be approximately one-page (or about 500 words) in length. The proposal should have a research plan that includes evidence that data will be available to perform the research. The instructor will provide quick feedback on the proposal, which may include the suggestion that the proposal be revised in order for the project to be feasible and for it to have a good chance for success. Students will be allowed to resubmit subsequent drafts of their proposal for additional feedback, and they may paraphrase portions of their proposal as introductory material at the beginning of the research paper itself.

As a part of the term paper assignment, students will be required to provide a technical appendix displaying the statistical results they acquired using Stata. They will also be required to provide the Stata.smcl file used to generate those results. Students are welcome to seek advice, during office hours, from the professor and TA on economic techniques as they may relate to their papers.

Students will also be required to produce a 10-minute video recording of a PowerPoint presentation that they will make available to the rest of the class for discussion. The presentation is due on November 13th, two weeks before the paper is due, so that students may present preliminary/draft findings, and receive feedback from class and the instructor to help them complete the written paper.

More details on these requirements will be provided in the written assignments posted in ELMS.

The 30 points on the paper (including the video presentation) will be allocated as follows:

- Written coverage of the research project in the written paper: 15 points
- Statistical work (interpreting and analyzing the data) using Stata: 10 points
- Presentation: 5 points

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 |

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.

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.

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>. Please familiarize yourself with these policies related academic integrity, non-discrimination policy, accessibility, absences and accommodations, grading, academic standing, grievance procedures, and other important policies.

Class Schedule (Subject to Revision as the Semester Proceeds)

Readings: D = Deaton and Cartwright, "Understanding and Misunderstanding ... Trials"
 J = Janvry and Sadoulet, *Development Economics: Theory and Practice*
 W20, W23 = World Development Report 2020, 2023 respectively

| Class # | Week Starting on Date | Topic(s) | Readings (J, D, W22 - see above) | Assignment, Due Dates, or Exam Date |
|---|-----------------------|--|--|--|
| 1 | 8/28 | What is Economic Development? Indicators and Issues | J (Intro. & Ch. 1: pp. 1-50) | Discussion 1 Assigned |
| Holiday on September 4 th – No Class | | | | |
| 2 | 9/11 | The State of Development, and Principles of Statistical Analysis | J (Ch. 2: pp. 54-80) | Discussion 1 Due (9/12) Paper Proposal Assigned |
| 3 | 9/18 | History of Thought in Development Economics | | J (Ch. 3: pp. 82-104) |
| 4 | 9/25 | Macroeconomic Growth Models | J (Ch. 8, pp. 219-245) | Paper Proposal Due (9/26) Discussion 2 Assigned |
| 5 | 10/2 | Poverty and Vulnerability Analysis; Inequality and Inequity | J (Ch. 5-6, pp. 139-88) | Discussion 2 Due (10/3) |
| 6 | 10/9 | International Trade & Industrialization Strategies, Value Chains | J (Ch. 7, pp. 190-217) W20 (Overview & Ch. 3, pp. 1-8, 66-93) | {Study for Midterm} |
| 7 | 10/16 | Economics of Farm Households; Agriculture for Development | J (Ch. 10, pp. 257-75; Ch. 18, pp. 448-74) | MIDTERM EXAM (10/16) Discussion 3 Assigned |
| 8 | 10/23 | Labor and Migration | J (Ch. 12, pp. 301-23) W23 (overview & Ch. 1, pp. 1-33) | Discussion 3 Due (10/24) Discussion 4 Assigned |
| 9 | 10/30 | Financial Services for the Poor | J (Ch. 13, pp. 326-50) | |
| 10 | 11/6 | Social Programs and Targeting | J (Ch. 14, pp. 353-76) | Video Presentation of Draft Paper Assigned, Discussion 4 Due (11/7) |
| 11 | 11/13 | Sustainable Development and the Environment; Common Property Resources and ... Cooperation | J (Ch. 15-16, pp. 379-416) | Video Presentation Due (11/14) Discussion #5 Assigned |
| 12 | 11/20 | Human Capital, Education, & Health; Development Aid and Its Effectiveness | J (Ch. 17, pp. 419-43; Ch. 19, pp. 477-500) | Discussion 5 Due (11/21) |
| 13 | 11/27 | Impact Evaluation of Development Policies & Programs | J (Ch. 4, pp. 105-35); D (full article) | TERM PAPER DUE (11/28) (Write-up with Statistical Analysis) |
| 14 | 12/4 | Political Economy & Role of the State | J (Ch. 21, pp. 518-45) | {Study for Final} |
| 15 | 12/11 | FINAL EXAM (Starting at the Same Time that the Class Normally Starts) | | |

Due Dates (All Assignments Due on TUESDAYS, before midnight, on each of the days listed):

- **Final Contributions to Discussions #1-5, respectively: 9/12, 10/3, 10/24, 11/7, 11/21**
- **Paper Proposal: 9/26**
- **Video Presentation: 11/14**
- **Term Paper: 11/28**

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. In a regular 15-week semester (as in the College Park version of our program): Taking three master’s-level courses is supposed to approach the time commitment of a full-time job (~36-39 hours per week, so 12-13 hours per week per course). Taking three master’s-level courses while simultaneously working at a demanding full-time job during the day is not advisable. Students with questions about the workload in this program should speak with one of the program directors.

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.

Excused Absences: 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 to work with study partners, the teaching assistant, and the instructor 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've been 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. When classes need to be canceled during the semester, we make every effort to schedule makeup classes.

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>.

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.

Access to Morrill Hall and Morrill 1102: Morrill Hall is locked every day from 7:00 p.m. - 7:00 a.m. Your university ID gives you swipe access to the back door of the building. There is keypad access to the door of Morrill 1102. The code will be shared with students by the program coordinator.