

University of Maryland: Master of Science in Applied Economics Program

Syllabus for ECON 676: Economic Development, Spring 2023

Washington, DC Campus: 1400 16th Street, NW, Suite 140; February 27 – May 19, 2023

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: Wednesdays, 6.45 to 9.30 pm, with a 15-minute break in between.

Office Hours: Monday, 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. See the separate document entitled “**Instructions for Discussion Forums.**”

Teaching Assistant: Wantian Huang (whuang11@umd.edu)

TA Zoom office hours: Wednesday, 5:15 – 6:15 PM

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**

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

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

World Bank, *World Development Reports: 2019-2022*. Electronic copies of these are available online for free at <https://www.worldbank.org/en/publication/wdr/wdr-archive>. Only a small number of selected chapters will be assigned from these reports. However, they may also help serve as background for the term paper.

2019: The Changing Nature of Work
2020: Trading for Development in the Age of Global Value Chains
2021: Data for Better Lives
2022: Finance for an Equitable Recovery

World Bank, *Poverty and Shared Prosperity 2022: Correcting Course*
Only two chapters will be assigned. It is available for free at:
<https://www.worldbank.org/en/publication/poverty-and-shared-prosperity>

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: 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 (%)
Research Paper: Approximately 2,000 words in length. It will involve empirical research and statistical analysis, and a PowerPoint Video Presentation prepared for the class. (Detailed instructions for the paper are provided in a separate document.)	35
Midterm Exam: Covers material learned in the first half of the class.	30
Final Exam: Covers only the material introduced after the midterm.	30
Online Discussions in ELMS: Active and thoughtful participation in five discussions.	5
Total	100

Research Paper: The research paper will be due approximately half-way between the midterm and final exam.

Proposal Required: Early in the semester students will submit a proposal for their research paper to be reviewed by the instructor. The proposal should be based on a novel research idea and the identification

of sources of data that could be used. If the feedback a student receives includes the recommendation that their proposal be changed or revised, the student may provide a subsequent proposal and receive additional feedback. The proposal is ungraded, but will better enable the student to receive a good grade on their paper through the instructor's feedback.

The paper should serve any one, or any 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.

There is a variety of restrictions placed on the research paper. Therefore, before beginning to think about a topic for the paper, students should carefully read the document "Instructions for the Research Paper" to make sure that their ideas about the paper are within these restrictions.

The 35 points on the research paper will be allocated as follows:

- Written research project paper, showing a useful understanding of the chosen topic: 20 points
- Statistical analysis (acquiring and interpreting the data) using Stata: 10 points
- Video 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

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.

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. 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. You are responsible for reading your @umd.edu email address, including ELMS/Canvas Announcements I send to the class. You should make sure ELMS/Canvas Announcements and messages are forwarded to an email address that you 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. I will do my best to respond to email within 36 hours.

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*
 W19 = World Development Report 2019, etc. for W20, W21, and W22
 WB-CC = World Bank, Correcting Course

Class #	Class Date	Topic(s)	Assigned Readings	Assignments This Week	
1	3/1	What is Economic Development? Indicators and Issues	J (Intro. & Ch. 1: pp. 1-50)	Discussion 1 Assigned	
2	3/8	The State of Development, and Applied Statistical Analysis	J (Ch. 2: pp. 54-80); W21 (Overview, pp. 1-17)	Discussion 1 Due; Paper Proposal Assigned	
3	3/15	History of Thought in Development Economic; Principles of Statistical Inference and SEM in Stata	J (Ch. 3: pp. 82-104) {Recommended Video}	Paper Proposal Due; Discussion 2 Assigned	
	3/22	No Class – Spring Break			
4	3/29	Macroeconomic Growth Models	J (Ch. 8, pp. 219-245)	Discussion 2 Due; Term Paper Assigned	
5	4/5	Poverty and Vulnerability Analysis; Inequality and Inequity	J (Ch. 5-6, pp. 139-88); WB-CC (pp. 1-19)	Discussion 3 Assigned	
6	4/12	International Trade, Value Chains, and Industrialization Strategies; Financial Strategies	J (Ch. 7, pp. 190-217); W20 (Ch. 1-2, pp. 14-58) W22 (pp. 8-20)	Discussion 3 Due	
7	4/19	Economics of Farm Households; Agriculture for Development	J (Ch. 10, pp. 257-75; (Ch. 18, pp. 448-74)	MIDTERM EXAM; Disc 4 Assigned	
8	Extra Online Class Scheduled: Friday, 4/21		Labor and Migration	J (Ch. 12, pp. 301-23); W19 (Ch. 1, pp. 18-31; Ch. 4, pp 69-85)	Discussion 4 Due
9	4/26	Impact Evaluation; Financial Services for the Poor	J (Ch. 13, pp. 326-50); J (Ch. 4, pp. 105-35); D (full article)	Video Presentation Due, Discussion #5 Assigned	
10	5/3	Social Programs and Targeting; Political Economy and the Role of the State	J (Ch. 14, pp. 353-76, Ch. 21, pp. 518-545); W19 (Ch. 6-7, pp. 106-36)	TERM PAPER DUE	
11	5/10	Sustainable Development and the Environment; Common Property Resources and ... Cooperation	J (Ch. 15-16, pp. 379-416)	Discussion 5 Due (on Student Presentations)	
12	5/17	FINAL EXAM (Starting at the Same Time that the Class Normally Starts)			

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

- **Final Contributions to Discussions #1-5, respectively: 3/9, 3/30, 4/13, 4/20, 5/11**
- **Paper Proposal: 3/16**
- **Video Presentation: 4/27**
- **Term Paper: 5/4**

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.

Contact Hours: Three credit master's-level courses at the University of Maryland require a minimum amount of contact between instructors and students. Our courses' 12 weekly meetings only satisfy 80% of the university's contact requirement. The other 20% is satisfied by weekly mandatory and graded online contact. In principle, the contact hours requirement could be satisfied by scheduling 3 additional 150-minute meetings per term, or 6 additional 75-minute meetings, or 10 additional 45-minute meetings. But in practice the contact hours requirement is satisfied by the weekly online discussions. The weekly online discussions are a more flexible way to ensure that our program's courses in DC provide the same level of student-instructor contact as the traditional 15-week face-to-face version of the same course when it is taught on campus in College Park.

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 workload 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. 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, it is your responsibility to work with 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'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. 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 free, comprehensive, and confidential counseling / mental health services that promote personal, social, and academic success. All Counseling Center services are completely free for enrolled students. 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 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.

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. We will also provide information about the code for entering the front door of our suite. Please make sure you are receiving the ELMS-Announcements that we send out to the program about these and other important matters.

COVID Policies: 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. We thank you all for your individual efforts to help protect the collective health of our entire community.