

## **Economics 4784: Economic Development**

Fall 2012

T/TH 9:30-10:45AM

Room: ECON 117

Class Website through Desire2Learn (D2L): <https://learn.colorado.edu/>

No Class: 11/20-11/22 (Fall Break and Thanksgiving)

Professor Francisca Antman

Office: Economics 102

Office Hours: T/TH 11:00-11:30AM, 2:00-3:00PM, and by appointment

Email: francisca.antman@colorado.edu (preferred method of contact)

### **Course Description**

In this course we will explore empirical, theoretical, and policy issues surrounding economic development. These topics will include theories of economic growth, inequality, poverty, demographic change, migration, as well as characteristics of land, labor, and credit markets in developing countries. Note that the field of development economics is very broad and so an introductory course will naturally vary from instructor to instructor. The approach taken in this course is to touch on the many areas of interest to development economists to provide a broad introduction to the field.

**Prerequisites:** Economics 3070 (Intermediate Microeconomic Theory) or Econ 3080 (Intermediate Macroeconomic Theory).

**Optional Textbook:** Debraj Ray, *Development Economics*, Princeton University Press, 1998.

### **Grading**

Midterm 1: 25%

Midterm 2: 25%

Final Exam (cumulative): 40%

Homework, In-class Exercises, Attendance & Participation: 10%

### **Class Policies**

While there is no required textbook for this course, lectures are primarily drawn from the textbook listed above. Thus, if you are having difficulty understanding a concept we have covered in class, you may find it useful to consult the textbook. The text covers far more material than will be discussed in class and I will present material in class that is not in the textbook, so it is in your interest to come to class. I will also assign articles from other sources that I would like you to read before coming to class. These assignments will generally be announced in class beforehand, so again, it is in your interest to come to class.

Throughout the semester, we will do exercises that will help prepare you for exams. These exercises will be posted on the course website along with questions that relate to some of the articles assigned for reading. Please do your best to prepare your own responses to these questions prior to class so that we may proceed to discuss your answers as a group. I will collect your responses to the discussion questions and exercises at random points throughout the course.

While these assignments may not be formally graded, I will count your level of effort on these exercises along with your attendance and potentially also your participation (e.g. answering questions posed to the class) throughout the course. You will be given the opportunity to make up for up to two lost participation points at the end of the semester. I may also present exam questions drawn from our class discussions.

There is no excuse for missing an exam unless there is a documented medical or family emergency. Note that you are required to submit documentation of any emergency. In all other cases, failure to take an exam will result in a zero for that exam. If a legitimate emergency arises, other exams will be re-weighted. No make-up exams will be given. If you foresee any legitimate conflict with the dates of the assignments or exams, please see me as soon as possible.

If you miss a class, you are responsible for obtaining notes on the material we covered from another classmate. I encourage you to come to my office hours to discuss the material you missed, but not before you have gone over the material yourself through notes and the textbook if necessary.

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, please review the exam schedule at the beginning of the semester and see me as soon as possible regarding any conflicts due to religious observances. See full details at [www.colorado.edu/policies/fac\\_relig.html](http://www.colorado.edu/policies/fac_relig.html)

### **Other Policies**

If you qualify for accommodations because of a disability, please provide me with a letter from Disability Services in a timely manner (for exam accommodations provide your letter at least one week prior to the exam) so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities. Contact Disability Services at 303-492-8671 or by e-mail at [dsinfo@colorado.edu](mailto:dsinfo@colorado.edu).

If you have a temporary medical condition or injury, see Temporary Medical Conditions: Injuries, Surgeries, and Illnesses guidelines under Quick Links at Disability Services website and discuss your needs with me.

Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to discipline. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, color, culture, religion, creed, politics, veteran's status, sexual orientation, gender, gender identity and gender expression, age, disability, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at [http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code)

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All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council ([honor@colorado.edu](mailto:honor@colorado.edu); 303-735-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and at <http://www.colorado.edu/academics/honorcode/>

## Economics 4784 Tentative Course Outline

Note: The journals listed below can be accessed online from the University of Colorado library system at <http://libraries.colorado.edu/>

- I. Introduction (Week 1: 8/28-8/30)
  - A. Topics
    - 1. How should we measure economic development?
    - 2. What do development economists study?
    - 3. Millennium Development Goals
  - B. Readings
    - 1. Lecture Notes
    - 2. Article(s) from popular press, consult website
    - 3. Ray, ch. 1, 2 (optional)
  
- II. Theories of Economic Growth (Week 2: 9/4-9/6)
  - A. Topics
    - 1. Explaining cross-country income differences
    - 2. Convergence hypotheses
  - B. Readings
    - 1. Lecture Notes
    - 2. Article(s) from popular press, consult website
    - 3. Pritchett, Lant. 1997. "Divergence, Big Time." *Journal of Economic Perspectives*, 11(3): 3-17.
    - 4. Ray, ch. 3 (optional)
  
- III. Inequality (Week 3: 9/11-13)
  - A. Topics
    - 1. Measuring inequality
    - 2. Inverted-U hypothesis
    - 3. Self-perpetuating inequality
  - B. Readings
    - 1. Lecture Notes
    - 2. Article(s) from popular press, consult website
    - 3. Ray, Debraj. 2010. "Uneven Growth: A Framework for Research in Development Economics" *Journal of Economic Perspectives*, 24(3): 45-60.
    - 4. Ray, ch. 6, 7 (optional)
  
- IV. Poverty (Week 4: 9/18-20)
  - A. Topics
    - 1. Measuring poverty
    - 2. Poverty traps
  - B. Readings
    - 1. Lecture Notes
    - 2. Article(s) from popular press, consult website
    - 3. Banerjee, Abhijit and Esther Duflo. 2007. "The Economic Lives of the Poor." *Journal of Economic Perspectives*, 21(1): 141-167.

4. Besley, Timothy and Robin Burgess. 2003. "Halving Global Poverty." *Journal of Economic Perspectives*, 17(3): 3-22.
  5. Ray, ch. 8 (optional)
- V. Population & Fertility (Week 5: 9/25-9/27)
- A. Topics
    1. Demographic transition
    2. Externalities within and across households
  - B. Readings
    1. Lecture Notes
    2. Article(s) from popular press, consult website
    3. Dasgupta, Partha. 1995. "The Population Problem: Theory and Evidence." *Journal of Economic Literature*, 33(4): 1879-1902.
    4. Ray, ch. 9 (optional)

**MIDTERM 1: Tuesday 10/2 in class (Week 6)**

Midterm 1 Solutions: Thursday 10/4 in class

- VI. Environment (Week 7: 10/9-10/11)
- A. Topics
    1. Economic growth and environmental quality
    2. Environmental externalities
  - B. Readings
    1. Lecture Notes
    2. Article(s) from popular press, consult website
- VII. Rural-Urban Interactions (Week 8: 10/16-10/18, and Week 9: 10/23-10/25)
- A. Topics
    1. Lewis model of surplus labor. Harris-Todaro model.
    2. Migration, remittances and those left behind
  - B. Readings
    1. Lecture Notes
    2. Article(s) from popular press, consult website
    3. Antman, Francisca M. 2012. "The Impact of Migration on Family Left Behind." Forthcoming in: A. Constant and K. F. Zimmermann eds., *International Handbook on the Economics of Migration*. (See course website for draft.)
    4. Yang, Dean. 2011. "Migrant Remittances." *Journal of Economic Perspectives*, 25(3): 129-52.
    5. Ray, ch. 10 (optional)
- VIII. Land & Labor Interactions (Week 10: 10/30-11/1 & 11/6)
- A. Topics
    1. Sharecropping, fixed rent, and fixed wage contracts
    2. Land titling
  - B. Readings
    1. Lecture Notes

2. Article(s) from popular press, consult website
3. Field, Erica. 2007. "Entitled to Work: Urban Property Rights and Labor Supply in Peru" *The Quarterly Journal of Economics*. 122(4): 1561-1602. (Optional.)
4. Ray, ch. 12, sections 1-3 (optional)

**MIDTERM 2: Thursday 11/8 in class (Week 11)**

Midterm 2 Solutions: Tuesday 11/13 in class

**IX. Human Capital (Week 12: 11/13-11/15)**

A. Topics

1. Returns to Schooling
2. Health & Nutrition

B. Readings

1. Lecture Notes
2. Article(s) from popular press, consult website
3. Strauss, John and Duncan Thomas. 1998. "Health, Nutrition, and Economic Development." *Journal of Economic Literature*, 36(2): 766-817.
4. Rosenzweig, Mark R. 2010. "Microeconomic Approaches to Development: Schooling, Learning, and Growth." *Journal of Economic Perspectives*, 24(3): 81-96.

**NO CLASS 11/20-11/22 (Week 13): FALL BREAK**

**X. Labor (Week 14: 11/27-11/29)**

A. Topics

1. Piece Rates
2. Women's Work
3. Child Labor

B. Readings

1. Lecture Notes
2. Article(s) from popular press, consult website
3. Edmonds, Eric and Nina Pavcnik. 2005. "Child Labor in the Global Economy." *Journal of Economic Perspectives*, 19(1): 199-220.
4. Mammen, Kristin and Christina Paxson. 2000. "Women's Work and Economic Development." *Journal of Economic Perspectives*, 14(4): 141-164.
5. Ray, ch. 13, section 4 (optional)

**XI. Credit Markets (Week 15: 12/4-12/6)**

A. Topics

1. Moral hazard and adverse selection
2. Formal and informal credit markets
3. Microfinance

B. Readings

1. Lecture Notes
2. Article(s) from popular press

3. Cull, Robert, Asli Demirguc-Kunt, and Jonathan Morduch. 2009. "Microfinance Meets the Market." *Journal of Economic Perspectives*, 23(1): 167-192.
4. Banerjee, Abhijit V. and Esther Duflo. 2007. "Giving Credit Where It Is Due." *Journal of Economic Perspectives*, 24(3): 61-80.
5. Ray, ch 11, 14.1 14.2, 14.5 (optional)

XII. Review (Week 16: 12/11-12/13)

**FINAL EXAM (CUMULATIVE): MONDAY, DECEMBER 17, 7:30-10:00 PM**