

Economics 4784: Economic Development

Fall 2015

MWF 12:00-12:50 PM

Room: HLMS 241

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

No Class: Sep 7 (Labor Day), Nov 23-27 (Fall Break)

Professor Francisca Antman

Office: Economics 102

Office Hours: MW 1:00-1:30 PM, F 9:00-11:00 AM, 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, a significant portion of lectures are based on 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

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Economics 4784 Tentative Course Outline Fall 2015

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: Aug 24-28)
 - 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: Aug 31 - Sep 4)
 - 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: Sep 7 - 11)
 - 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: Sep 14 -18)
 - 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: Sep 1-3(s)-8(l)-9(e)-23(y))

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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: Wednesday Nov 4 in class (Week 11)

Midterm 2 Solutions in class following midterm

IX. Human Capital (Week 12: Nov 9 - 13)

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.

X. Labor (Week 13: Nov 16 - 20)

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)

NO CLASS Nov 23-27 (Week 14): FALL BREAK

XI. Credit Markets (Week 15: Nov 30- Dec 4)

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: Dec 7- Dec 11)

FINAL EXAM (CUMULATIVE): TUESDAY DECEMBER 15, 4:30-7:00 PM