

**ECON 8600 – Economics of Development (CRN: 15630)
Spring 2015**

Instructor

Elena Andreyeva

Office Hours: TR 4:30pm – 5:30pm or by appointment

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Course Meeting

Thursdays 7:15pm – 9:45pm (Aderhold Learning Center, Room 30)

Prerequisites

Principles of Microeconomics (ECON 2106)

Learning Objectives

ECON 8600 is designed to develop a framework, which the student may use to analyze economic growth, particularly of low-income countries. This framework introduces the student to the economic way of thinking about the forces at work in society, which guide economic growth.

1. The student should be able to understand and describe the Harrod-Domar model of economic growth.
2. The student should be able to understand and describe the new growth theories.
3. The student should be able to understand and describe the role of path dependence or history in the development experience of countries in Sub-Saharan Africa, Asia, and South America.
4. The student should be able to understand and describe measures of inequality and be familiar with basic data on inequality for major regions of the developing world.
5. The student should be able to understand and describe the interconnections between inequality and development.
6. The student should be able to understand and describe the functional impact of poverty among developing countries.
7. The student should be able to understand and describe the effects of population growth on economic development.
8. The student should be able to understand and describe the effects of land, labor, education, conflict, and financial institutions on economic development.
9. The student should be able to describe the role of international aid in economic development.

Required Materials:

William Easterly (2002). “The Elusive Quest for Growth.” (Cambridge, MA: MIT Press). ISBN: 0-262-55042-3

Additional readings required for the course will be posted on Desire2Learn.

Communication

Important announcements will be conveyed to students through University email account. Please, email me to my GSU address provided above.

Course Requirements

Two take-home exams (there are no make-up exams)

Class presentation based on the assigned readings:

Students will form teams in groups of 3 by the beginning of the class 2 meeting. Each team will be assigned a reading from the list of articles provided below and a presentation date. The teams should prepare and deliver a twenty-five-minute presentation using slides. You will be given a grade based on the quality of your presentation, including the Power Point, and your ability to answer questions from the class. Specific details on presentation format will be discussed later in the semester.

Empirical exercise (late assignments will not be accepted)

Grading Policy

Students will be assigned a letter grade from the University letter scale: A+ (100-97.1), A (97-93.1), A- (93-90.1), B+ (90-87.1), B (87-83.1), B- (83-80.1), C+ (80-77.1), C (77-73.1), C- (73-70), D (70-60), F (<60).

The final letter grade will be assigned based on student performance on with the following weight:

30% Exam I

30% Exam II

25% Class Presentation

15% Empirical Exercise

Students who wish to request accommodations for a disability may do so by registering with the Office of Disability Services. Students may only be accommodated upon issuance by the Office of Disability Services of a signed Accommodation Plan and are responsible for providing a copy of that plan to instructors of all classes in which an accommodation is sought.

Important Dates

01/12 – Classes begin

01/16– Last day to add/drop classes

02/19 – Exam I is due in class

03/03 – Last day to withdraw without academic penalty: (see <http://registrar.gsu.edu/registration/withdrawals/> for details)

03/16 – 03/22: Spring Break (no classes)

03/26 – Empirical exercise is due in class

04/23 – Last class meeting

04/30 – Exam II is due by email

05/07 – Grades are due by 5 pm

Attendance Policy

Attendance is strongly recommended. Please remember that all university regulations, deadlines, and policies must be observed. Also, on some date after the mid-point of the course (a date set by the Provost), students on the grade rolls but no longer taking the class will be given a grade of WF, and the last day of class that the student attended or turned in an assignment will be reported to the GSU administration.

Academic Honesty

All students are expected to adhere to the highest standards of academic honesty. Each student is responsible for knowing and following the academic honesty policies of Georgia State University (See Policy on Academic Honesty (Section 409)). Please refer to the Georgia State University Code of Conduct (available on-line at: <http://www2.gsu.edu/~wwwdos/codeofconduct.html>) for further explanation of the University policy. Note that any student suspected of academic dishonesty will be referred to the Dean's Office and prosecuted to the fullest extent of University policy.

Other Important Information

Course Withdrawal: Students who withdraw after the midpoint of each term will not be eligible for a "W". A student who withdraws after the midpoint of the term is assigned a grade of "WF", except in those cases in which hardship status is determined by the Office of the Dean of Students because of emergency employment, or health reasons, and the student is doing passing work, as determined by the students' instructor. Effective fall 2006, students are limited to a total of six withdrawals during their academic career. See <http://www.gsu.edu/registrar/withdrawals.html> for more information on the University policy.

Grades of Incomplete: Incomplete will only be given to students, who are passing the course, and even then, only in very special circumstances as determined by the department. In the case where an incomplete is awarded, it must be removed within two weeks from the end of the semester, or it will automatically turn into an "F". See <http://www2.gsu.edu/~wwwfhb/sec403.html> for more information on GSU's policy on removal of Incomplete.

The course syllabus provides a general plan for the course; deviations may be necessary. If there are any changes in course outline, it will be announced throughout the course.

Your constructive assessment of this course plays an indispensable role in shaping education at GSU. Upon completing this course, please take time to fill out the online course evaluation.

Students are responsible for reading this syllabus and understanding the information contained in it.

Course Outline

Week	Date	Topic	Readings
1	January 15	Intro to Development Economics	Begin reading “The Elusive Quest for Growth”
2	January 22	Simple Solow growth model	Read Mankiw, Chapter 7 (8 if 8 th edition) (available through uLearn) Cont. reading “The Elusive Quest for Growth”
3	January 29	Solow growth model with population growth	Read Mankiw, Chapter 7 (8 if 8 th edition) (available through uLearn) Cont. reading “The Elusive Quest for Growth”
4	February 5	Solow growth model with technological progress	Read Mankiw, Chapter 8 (9 if 8 th edition) (available through uLearn) Cont. reading “The Elusive Quest for Growth”
5	February 12	Other growth theories: Endogenous growth model Harrod-Domar growth model Ramsey growth model Exam I handed out	Read William Easterly (1999) “The ghost of financing gap: testing the growth model used in the international financial institutions” <i>Journal of Development Economics</i> (available through uLearn) Read Robert M. Solow (1988) “Growth Theory and After” <i>The American Economic Review</i> (available through uLearn) Finish reading “The Elusive Quest for Growth”
6	February 19	Randomized control trials Exam I due in class	See readings in the “Methodology” folder
7	February 26	The role of corruption in economic development	See readings in the “Corruption” folder
8	March 5	The role of education in economic development	See readings in the “Education” folder
9	March 12	Regression analysis in development economics	
10	March 19	Spring Break. No classes	
11	March 26	Access to credit and insurance and development Empirical exercise due in class	See readings in the “Finance” folder
12	April 2	Development and gender/ethnic diversity	See readings in the “Gender” and “Ethnic Diversity” folders
13	April 9	Development and access to clean drinking water/environment	See readings in the “Environment” and “Water” folders

14	April 16	Development and conflict/agriculture	See readings in the "Conflict" and "Agriculture" folders
15	April 23	Development and HIV Last day of classes Exam II handed out Exam II due on April 30 (date of our scheduled final exam).	See readings in the "HIV" folder

*** indicates required reading. Reading with asterisks are available through ULearn. Readings without the asterisks will be mentioned in class, but you need not read them in depth. If other readings are assigned, you will receive them well in advance.**

1. Readings in the methodology folder

***Duflo et al. 2006. Using randomization in development economics research: a toolkit.**

Esther Duflo (2005). "Field experiments in developing economics." BREAD policy paper no. 012.

***John Newman, Laura Rawlings and Paul Gertler (1994). "Using randomized control designs in evaluating social sector programs in developing countries". *The World Bank Research Observer* 9(2): 181-201.**

2. Readings in the corruption folder

Marianne Bertrand, Simeon Djankov, Reman Hanna, and Sendhil Mullainathan (2007). "Obtaining a driver's license in India: an experimental approach to studying corruption". *The Quarterly Journal of Economics*: 1639-76.

***Ben Olken (2007). "Monitoring Corruption: Evidence from a Field Experiment in Indonesia." *Journal of Political Economy* 115(2): 200-249.**

Ben Jones and Ben Olken (2005). "Do Leaders Matter? National Leadership and Growth Since World War II," *Quarterly Journal of Economics* 120 (3): 835-864.

***Pedro C. Vicente (2010)."Does oil corrupt? Evidence from a natural experiment in West Africa." *Journal of Development Economics* 92(1): 28-38.**

3. Readings in the education folder

***Bils, Mark and P. Klenow (2000). "Does Schooling Cause Growth?" *American Economic Review* 90(5): 1160-1183.**

***Esther Duflo (2001). "Schooling and labor market consequences of school construction in Indonesia: evidence from an unusual policy experiment". *The American Economic Review* 91(4): 795-813.**

Paul Glewwe (1999). "Why does mother's schooling raise child health in developing countries? Evidence from Morocco" *The Journal of Human Resources* 34(1): 124-59.

Michael Kremer, Nazmul Chaudhury, Karthik Muralidharan, Jefferey Hammer, F. Halsey Rodgers (2005). "Teacher absence in India: a snapshot". *Journal of the European Economic Association* 3(2-3): 658-667.

4. Readings in the finance folder

Abhijit V. Banerjee and Esther Duflo (2007). "The economic lives of the poor". *The Journal of Economic Perspectives* 21(1): 141-68.

***Paul Gertler (2004). "Do conditional transfers improve child health? Evidence from PROGRESA's control of randomized experiment". *The American Economic Review* 94(2): 336-41.**

***Michael Kremer and Seema Jayachandran (2003). "Odious debt: when dictators borrow, who repays the loan?" *The Brookings Review* 21(2): 32-5.**

***Christopher Udry (1990). "Credit markets in Northern Nigeria: credit as insurance in a rural economy". *The World Bank Economic Review* 4(3): 251-69.**

5. Readings in the gender folder

Paul Gertler and Paul Glewwe (1992). "The willingness to pay for education for daughters in contrast to sons: evidence from rural Peru". *The World Bank Economic Review* 6(1): 171-88.

***Rema Hanna and Leigh Linden (2012). "Discrimination in grading." *American Economic Journal: Economic Policy* 4(4): 146-168.**

6. Readings in the ethnic diversity folder

***Abhijit Banerjee, Lakshmi Iyer and Rohini Somanathan (2005). "History, social divisions, and public goods in rural India." *Journal of the European Economic Association* 3(2/3): 639-47.**

Edward Miguel and Mary Kay Gugerty (2005). "Ethnic diversity, social sanctions, and public goods in Kenya." *Journal of Public Economics* 89: 2325 – 2368. Readings in the environment folder

7. Readings in the environment folder

***Esther Duflo, Michael Greenstone and Rema Hanna (2008). “Cooking stoves, indoor air pollution respiratory health in rural Orissa”. *Economic and Political Weekly* 43(32): 71-6.**

Michael Greenstone and Rema Hanna (2014). “Environmental regulations, air and water pollution, and infant mortality in India.” NBER working paper series no. 17210, forthcoming *American Economic Review*.

8. Readings in the water folder

***Sebastian Galiani, Paul Gertler and Ernesto Schargrotsky (2005). “Water for life: the impact of the privatization of water services on child mortality”. *Journal of Political Economy* 113(1): 83-120.**

9. Reading in the conflict folder

***Robert K. Fleck, Christopher Kilby (2010). “Changing aid regimes? U.S. foreign aid from the Cold War to the War on Terror.” *Journal of Development Economics* 91(2): 185-197.**

Edward Miguel, Gérard Roland (2011). “The long-run impact of bombing Vietnam.” *Journal of Development Economics* 96(1): 1-15.

Olga Shemyakina (2011). “The effect of armed conflict on accumulation of schooling: Results from Tajikistan.” *Journal of Development Economic* 95(2): 186-200.

10. Readings in the agriculture folder

Timothy Conley and Christopher Udry (2001). “Social learning through networks: the adoption of new agricultural technologies in Ghana”. *American Journal of Agricultural Economics* 83(3): 668-73.

Timothy G. Conley and Christopher R. Udry (2010). “Learning about new technology: Pineapple in Ghana”. *The American Economic Review* 100(1): 35-69.

***Esther Duflo, Michael Kremer and Jathan Robinson (2008). “How high are rates of return to fertilizer? Evidence from field experiments in Kenya”. *The American Economic Review* 98(2): 482-88.**

11. Readings in the HIV folder

Paul Gertler, Manisha Shah and Stefano M. Bertozzi (2005). “Risky business: the market for unprotected commercial sex”. *Journal of Political Economy* 113(3): 518-50.

***Rebecca L. Thornton (2008). “The demand for, and impact of, learning HIV status”. *The American Economic Review* 98(5): 1829-63.**

Pascaline Dupas (2010). “Do Teenagers Respond to HIV Risk Information? Evidence from a field experiment in Kenya.” UCLA Manuscript.