

ECS 4013 (07B9)
Economic Development
Syllabus

University of Florida

Fall 2017

Instructor: Cecilia Peluffo

Email: mpeluffo@ufl.edu

Course location: MAT 113

Course time: Tuesdays & Thursdays 11:45AM-1:40PM

Office: 337 Matherly Hall

Office Hours: Tuesdays & Thursdays 1:55PM-2:45PM , or by appointment

TA: Shubhi Agarwal

Email: shubhi.agarwal@ufl.edu

Office: 341 Matherly Hall

Office Hours: Mondays 4:00PM-6:00PM

Course Description:

This course explores topics that are relevant to understand the causes and implications of economic development. We will start by analyzing the concepts of poverty, inequality, well-being, and economic growth. Then, we will study how individuals make decisions, considering the institutional and economic features present in developing countries. We will discuss topics such as health, education, credit, social programs and policies targeted at the poor. The main topics of the courses will be covered by the required

textbook listed below, as well as journal articles, class notes, and slides. For the midterms and final exams you are expected to be ready to answer questions on all the material covered in the course, including topics discussed in lectures and assignments (even when the material is not covered by the main textbook).

Prerequisites:

The course prerequisites are Principles of Microeconomics (ECO 2013) and Principles of Macroeconomics (ECO 2023). The course content will also draw heavily on material contained in MAC 2233 (or higher) and ECO 3101. If you have not successfully completed these courses, you should familiarize yourself with the related sections of Hal Varian's Intermediate Microeconomics: A Modern Approach, and Margaret Lial, Raymond Greenwell, and Nathan Ritchey's Calculus with Applications. If you have any questions on this matter, I will be happy to guide you during my office hours.

Readings

The readings of this course will include a main required textbook that will cover most of the topics, as well as complementary books and journal articles.

Main Textbook (required):

Julie Schaffner, *"Development Economics: Theory, Empirical Research and Policy Analysis"*, John Wiley and Sons, Inc., 2014.

Other Suggested Books:

Abhijit Banerjee and Esther Duflo, *"Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty"*, Public Affairs, 2011.

D. Perkins, S. Radelet, D. Lindauer, S. Block, *"Economics of Development"*, 7th Edition, W. W. Norton, New York and London, 2012.

Grading:

Grading will be based on two midterms, a final exam, problem sets and class participation. If you cannot attend an exam for a valid, documented reason, you must contact

me prior to the start of the exam. If a student misses an exam and fails to provide a valid justification, the grade in that exam will be zero. Problem set grading will be based mostly on effort, while exam grading will place a higher weight on correctness. The due date of each problem set will be announced in class. Late assignments will not be accepted. The weight of each of this components in your final grade will be as follows:

	Date	% in the final grade
Midterm 1	September 21 (in class)	25%
Midterm 2	October 31 (in class)	25%
Final Exam	December 15 (10:00AM - 12:00PM)	25%
Problem Sets	TBD	15%
Class Participation		10%

The following scale will be used to determine your final letter grade:

A	93 - 100
A-	90 - 92.99
B+	87 - 89.99
B	83 - 86.99
B-	80 - 82.99
B+	77 - 79.99
C	73 - 76.99
C-	70 - 72.99
D+	67 - 69.99
D	60 - 66.99
E	0 - 59.99

Topics

1- Introduction to Economic Development

- Economic Development and Well Being
 - Schaffner, Chapters 1 & 2
 - Banerjee and Duflo (Poor Economics), Chapter 1
 - Banerjee, A. and E. Duflo (2007). "The Economic Lives of the Poor," Journal of Economic Perspectives 21 (1): 141-167
- Poverty, Inequality and Vulnerability
 - Schaffner, Chapter 5
- Economic Growth
 - Schaffner, Chapters 3 & 4

2- Economic Decisions, Policy and Development

- Consumption
 - Schaffner, Chapter 6
 - Deaton, A, and J Dréze. 2009. "Food and Nutrition in India: Facts and Interpretations." Economic and Political Weekly 44 (7): 42-65.
 - Banerjee and Duflo (Poor Economics), Chapter 2
- Labor Supply and Child Labor
 - Schaffner, Chapter 6
 - Edmonds, Eric, V., and Nina Pavcnik. 2005. "Child Labor in the Global Economy." Journal of Economic Perspectives, 19(1): 199-220.
- Production¹
 - Schaffner, Chapters 6, 17 and 20

¹We will also cover Production in the "Agriculture and Development" section of the course

3-Domestic Markets and Transfers

- Domestic Markets and Transaction Costs
 - Schaffner, Chapter 8
 - Alix-Garcia and Saah, 2010, World Bank Economic Review 24(1): 148-170.
- Cash vs Food Transfers
 - Schaffner, Chapter 8
- Targeted Transfers
 - Schaffner, Chapters 14 & 15
 - Mexico: Scaling Up Progresa-Oportunidades Conditional Cash Transfer Programme. Poverty Reduction. Scaling up local innovations for transformational change. United Nations Development Programme, 2011.

4- Household and Gender

- Models of Household Consumption Allocation
 - Schaffner, Chapter 7
- Missing Women, Gender, and Development
 - Sen, A. "More Than 100 Million Women Are Missing." The New York Review of Books 37, no. 20 (1990).
 - Perkins, Radelet, Lindauer, and Block, pages 251-252
 - Jayachandran, S. (2015). "The Roots of Gender Inequality in Developing Countries," Annual Review of Economics 7: pp. 63-88.
 - Beaman, L., E. Duflo, R. Pande and P. Topalova (2012). "Female Leadership Raises Aspirations and Educational Attainment for Girls: A Policy Experiment in India," Science 2 February 2012, 335 (6068): pp. 582-586.
 - Udry, C., "Gender, Agricultural Production, and the Theory of the Household," Journal of Political Economy 104, no. 5 (Oct., 1996): 1010-1046.

5- Agriculture and Development

- Production, Technical Change in Agriculture, and Policies Applied to Agricultural Markets
 - Schaffner, Chapters 6, 17, and & 20

6-Financial Models, Risk and applications to Development Countries

- Intertemporal Models and Investment Financing
 - Schaffner, Chapter 10
- Present Bias and Other Constraints
 - Schaffner, Chapter 10
 - Banerjee and Duflo (Poor Economics), Chapter 8
 - The Economist: 12-30-2009 "How to combat the natural tendency to procrastinate"
- Risk and Insurance
 - Schaffner, Chapter 10
 - Banerjee and Duflo (Poor Economics), Chapter 6
- Asymmetric Information and Market Failures
 - Schaffner, Chapter 10
 - Karlan, D. and Zinman, J. (2009), Observing Unobservables: Identifying Information Asymmetries With a Consumer Credit Field Experiment. *Econometrica*, 77: 1993-2008.
- Microfinance
 - Schaffner, Chapter 21
 - Banerjee and Duflo (Poor Economics), Chapter 7
 - Banerjee, Abhijit, Esther Duflo, Rachel Glennerster, and Cynthia Kinnan. 2015. "The Miracle of Microfinance? Evidence from a Randomized Evaluation." *American Economic Journal: Applied Economics*, 7(1): 22-53.

7- Labor markets

- Schaffner, Chapters 9 & 16
- R Rosenzweig, O Stark (1989). Consumption smoothing, migration, and marriage: evidence from rural India, *The Journal of Political Economy*.

8- Health and Education

- Poverty Traps, Nutrition and Productivity
 - Schaffner, Chapter 4 (77-80)
 - Banerjee and Duflo (*Poor Economics*), Chapter 2
 - J-PAL Briefcase: Mass Deworming: A Best-buy for Development
- Education
 - Schaffner, Chapter 19
 - Perkins, Radelet, Lindauer, and Block, Chapter 8
 - Banerjee and Duflo (*Poor Economics*), Chapter 4
- Health
 - Schaffner, Chapter 22
 - Perkins, Radelet, Lindauer, and Block, Chapter 9
 - Banerjee and Duflo (*Poor Economics*), Chapter 3

9- Institutions, Cooperation, and Development

- Theory of Cooperation
 - Schaffner, Chapter 12
- Applications to Development Countries
 - Schaffner, Chapter 12
 - Galiani, Sebastian Schargrotsky, Ernesto, 2010. "Property rights for the poor: Effects of land titling," *Journal of Public Economics*, Elsevier, vol. 94(9-10), pages 700-729, October.