

ECS 4013 (304B)  
Economic Development  
Syllabus

University of Florida

Spring 2021

**Instructor:** Cecilia Peluffo

**Email:** mpeluffo@ufl.edu

**Course time:** Tuesdays & Thursdays 9:35 AM- 11:30AM

**Course Location:** MAT 3 and Online

**Office Hours:** (Zoom) Fridays 1pm-4pm

**Instructor Office Location and Phone:** 323 MAT (352)-392-0160

**TA:** Angel Gonzalez

**Email:** angelgonzalez@ufl.edu

**Office Hours:** (Zoom) Tuesdays and Thursdays 2:00pm-3:30pm

## Course Objectives:

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, and additional materials discussed in

class. For the midterms 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), Principles of Macroeconomics (ECO 2023), and Intermediate Microeconomics (ECO 3101). The course content will also draw heavily on material contained in MAC 2233 (or higher). If you have not successfully completed this course, you should familiarize yourself with the related sections of Margaret Lial, Raymond Greenwell, and Nathan Richey'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 readings and journal articles.

### **Main Textbook (required):**

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

### **Other Suggested Book:**

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

## **Course Delivery, Lectures, and Course Communication:**

We will have face-to-face instructional sessions and asynchronous online sessions for which prerecorded lectures will be posted. You can find the schedule for face-to-face classes and asynchronous online classes in the weekly class schedule (at the end of the

syllabus). I will share the links to the videos on Canvas, following the class schedule. You are strongly encouraged to watch each lecture in a timely fashion (i.e., within 1 day of each being posted). Midterms will take place during our regular class time on the dates listed below. As in all courses, unauthorized recording and unauthorized sharing of recorded materials is prohibited. Announcements concerning the class will typically be made in lecture videos, UF emails, and through Canvas. You are responsible for all information made available through these avenues of communication (you are expected to check your UF email and Canvas daily).

## Grading:

Grading will be based on two (non-cumulative) midterm exams and 4 problem sets. Each of these components will have the following weight in your final grade:

	Date	% in the final grade
Midterm 1	March 4, 9:35 AM (Eastern Standard Time zone)	40%
Midterm 2	April 20, 9:35 AM (Eastern Standard Time zone)	45%
Problem Sets	See Schedule	15%

## Midterms

There will be two in class (non-cummulative) midterms. The exams will be closed book/closed note exams. All exams will take place during our assigned class time. The fist midterm will take place on Thursday March 4 at 9:35 AM (Eastern Standard Time zone) and the second midterm will take place on Tuesday, April 20 at 9:35 AM (Eastern Standard Time zone). The first midterm accounts for 40% of your final grade, and the second midterm accounts for 45% of your grade.

Make-up exams will be offered only on those circumstances in which you cannot take an exam for a valid reason according to UF policy, for example, illness (see [UF policy](#) on this). In that case, you should notify me prior to the start of the exam. In addition, you will need to provide valid documentation (within a week of your absence) justifying your absence. Supporting documentation related to excuses for missed exams must include contact information for verification purposes. Failure to comply with these rules will result in a zero score in the missed exam. Providing false documentation or

creating a false excuse constitutes cheating under the University guidelines. UF's policy on academic honesty will be strongly enforced.

## **Problem Sets**

Problem sets account for 15% of your final grade. There will be four problem sets over the semester. The weekly schedule contains tentative problem set due dates (Eastern Standard Time). All assignments are due on Canvas before the deadline on the due date. Late submissions will not be accepted and will receive zero credit. As a general advice, make sure to submit your assignment at least several hours before the due date/time. In addition, after submitting your problem set through Canvas, make sure your submission is correct and contains all pages. If necessary, you will be able to replace your initial submission with an updated version before the deadline. You are responsible for verifying that any online assignment submission has properly been submitted through Canvas. Your lowest problem set grade will be dropped.

## Grading Scale

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
C+	77 - 79.99
C	73 - 76.99
C-	70 - 72.99
D+	67 - 69.99
D	60 - 66.99
E	0 - 59.99

You can find information on current UF grading policies for assigning grade points here: <https://catalog.ufl.edu/UGRD/academic-regulations/grades-grading-policies/>

## Academic Honesty:

I will strongly enforce the University of Florida's rules for academic honesty (which can be found [here](#)). Any violation of these rules will be prosecuted to the fullest extent. Examples of violations include, but are not limited to, cheating on exams or homework assignments and creating a false excuse to take a make-up exam.

## Students with Disabilities:

Students with disabilities requesting classroom accommodation must first register with the Disability Resource Center (DRC). Once registered, The DRC will provide documentation to the student who must then provide this documentation to the instructor when requesting accommodation. Students with disabilities should follow this procedure as early as possible in the semester.

## Disclaimer for Recorded Lectures

Our class sessions may be audio visually recorded for students in the class to refer back and for enrolled students who are unable to attend live. Students who participate

with their camera engaged or utilize a profile image are agreeing to have their video or image recorded. If you are unwilling to consent to have your profile or video image recorded, be sure to keep your camera off and do not use a profile image. Likewise, students who un-mute during class and participate orally are agreeing to have their voices recorded. If you are not willing to consent to have your voice recorded during class, you will need to keep your mute button activated and communicate exclusively using the “chat” feature, which allows students to type questions and comments live. The chat will not be recorded or shared. As in all courses, unauthorized recording and unauthorized sharing of recorded materials is prohibited.

Please note that our face-to face classes may be recorded for students in the class to refer back and for enrolled students who are unable to attend live. Students who participate orally are agreeing to have their voices recorded.

## **Computer Access**

The University requires access to and on-going use of a computer. This should not be a tablet device or smartphone, but an actual desktop or laptop computer. To succeed in this course, you will also need a stable internet connection and appropriate space to take online exams using the Honor Lock proctoring service. Minimum equipment specifications are available at: <https://it.ufl.edu/policies/student-computing-requirements/>

## **Course Evaluation**

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Students will be notified when the evaluation period opens, and can complete evaluations through the email they receive from GatorEvals, in their Canvas course menu under GatorEvals, or via [ufl.bluera.com/ufl/](http://ufl.bluera.com/ufl/). Summaries of course evaluation results are available to students [here](#).

## **COVID-19 Related Practices**

We will have face-to-face instructional sessions to accomplish the student learning objectives of this course. In response to COVID-19, the following policies and requirements are in place to maintain your learning environment and to enhance the safety of

our in-classroom interactions.

- You are required to wear approved face coverings at all times during class and within buildings. Following and enforcing these policies and requirements are all of our responsibility. Failure to do so will lead to a report to the Office of Student Conduct and Conflict Resolution.
- This course has been assigned a physical classroom with enough capacity to maintain physical distancing (6 feet between individuals) requirements. Please utilize designated seats and maintain appropriate spacing between students. Please do not move desks or stations.
- Sanitizing supplies are available in the classroom if you wish to wipe down your desks prior to sitting down and at the end of the class.
- Follow your instructor's guidance on how to enter and exit the classroom. Practice physical distancing to the extent possible when entering and exiting the classroom.
- If you are experiencing COVID-19 symptoms (Click [here](#) for guidance from the CDC on symptoms of coronavirus), please use the UF Health screening system and follow the instructions on whether you are able to attend class. Click [here](#) for UF Health guidance on what to do if you have been exposed to or are experiencing Covid-19 symptoms.
  - Course materials will be provided to you with an excused absence, and you will be given a reasonable amount of time to make up work. Find more information in the [university attendance policies](#).

# Topics

## 1- Introduction to Economic Development

- Economic Development and Well Being
  - Schaffner, Chapters 1 & 2
  - Banerjee and Duflo (Poor Economics), Chapter 1
  - Banerjee and 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 and 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 and Pavcnik (2005). Child Labor in the Global Economy. *Journal of Economic Perspectives*, 19(1): 199-220.

## 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**

- Household Resource Allocation
  - Schaffner, Chapter 7
  - Udry (1996). Gender, Agricultural Production, and the Theory of the Household. *Journal of Political Economy* 104, no. 5 (Oct., 1996): 1010-1046.
- Missing Women, Gender, and Development
  - Sen (1990). More Than 100 Million Women Are Missing. *The New York Review of Books* 37, no. 20.
  - Jayachandran (2015). The Roots of Gender Inequality in Developing Countries. *Annual Review of Economics* 7: pp. 63-88.
  - Beaman, Duflo, Pande, and 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.
  - *The Economist*: 03-04-2010. Gendercide - The war on baby girls.

#### **5-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
  - Udry (1990). Credit markets in Northern Nigeria : credit as insurance in a rural economy. The World Bank economic review. Vol. 4, no. 3 (September 1990),pp. 251-269.
- Asymmetric Information and Market Failures
  - Schaffner, Chapter 10
  - Karlan and Zinman (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, Duflo, Glennerster, and Kinnan (2015). The Miracle of Microfinance? Evidence from a Randomized Evaluation. American Economic Journal: Applied Economics, 7(1): 22-53.

## **6- Labor markets and Migration**

- Theory and Empirical Applications for Developing Countries
  - Schaffner, Chapters 9 & 16
  - Bryan, Chowdhury and Mobarak (2014). Underinvestment in a profitable technology: the case of seasonal migration in Bangladesh. Econometrica, 82(5): 1671-1748.
  - Rosenzweig and Stark (1989). Consumption smoothing, migration, and marriage: evidence from rural India, The Journal of Political Economy.

## 7- Health and Education

- Poverty Traps, Nutrition and Productivity
  - Schaffner, Chapter 4 (77-80)
  - Banerjee and Duflo (Poor Economics), Chapters 1 and 2
- Education
  - Schaffner, Chapter 19
  - Banerjee and Duflo (Poor Economics), Chapter 4
  - Duflo (2001). Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment. *American Economic Review*, 91 (4): 795-813
  - Duflo, Hanna, and Ryan (2012). Incentives Work: Getting Teachers to Come to School. *American Economic Review*, 102 (4): 1241-78.
  - Glewwe, Ilias, and Kremer (2010). Teacher Incentives. *American Economic Journal: Applied Economics*, 2 (3): 205-27.
- Health
  - Schaffner, Chapter 22
  - Banerjee and Duflo (Poor Economics), Chapter 3
  - J-PAL Briefcase: Mass Deworming: A Best-buy for Development
  - Cohen and Dupas (2010). Free Distribution or Cost-Sharing? Evidence from a Randomized Malaria Prevention Experiment, *The Quarterly Journal of Economics*, Volume 125, Issue 1, 1 February 2010, Pages 1-45

Table 1: Tentative Schedule

Date	Modality	Topic
1/12/2021	online (asynchronous)	Syllabus - Introduction
1/14/2021	face to face (MAT 3)	Calculus Review
1/19/2021	face to face (MAT 3)	Economic Development and Well Being
1/21/2021	online (asynchronous)	Poverty
1/26/2021	online (asynchronous)	Inequality and Vulnerability
1/28/2021	face to face (MAT 3)	Economic Growth
2/2/2021	online (asynchronous)	Economic Growth (cont.)
2/4/2021	face to face (MAT 3)	Consumption - Theory and Applications to Nutrition
2/9/2021	online (asynchronous)	Labor Supply - Theory and Applications to Child Labor
2/11/2021	face to face (MAT 3)	Domestic Markets and Transaction Costs
2/16/2021	online (asynchronous)	Cash vs. Food Transfers
2/18/2021	face to face (MAT 3)	Targeted Transfers
2/23/2021	online (asynchronous)	Households Resource allocation
2/25/2021	No class	"Recharge Day"
3/2/2021	face to face (MAT 3)	Practice for Midterm
3/4/2021	face to face (MAT 3)	Midterm 1 9:35 am (Eastern Standard Time zone)
3/9/2021	online (asynchronous)	Households Resource allocation (cont.)
3/11/2021	face to face (MAT 3)	Gender and Development
3/16/2021	online (asynchronous)	Financial Models, Risk and Applications
3/18/2021	face to face (MAT 3)	Financial Models, Risk and Applications (cont.)
3/23/2021	online (asynchronous)	Financial Models, Risk and Applications (cont.)
3/25/2021	face to face (MAT 3)	Labor Markets - Microeconomic Theory
3/30/2021	online (asynchronous)	Migration
4/1/2021	face to face (MAT 3)	Poverty Traps, Nutrition, and Productivity
4/6/2021	online (asynchronous)	Education
4/8/2021	face to face (MAT 3)	Education and Health
4/13/2021	online (asynchronous)	Applications to Developing Countries
4/15/2021	face to face (MAT 3)	Practice for Midterm
4/20/2021	face to face (MAT 3)	Midterm 2, at 9:35 am (Eastern Standard Time zone)

### Problem Set Due Dates<sup>1</sup>:

All assignments are due on Canvas before the deadline on the due date. Late submissions will not be accepted and will receive zero credit. As a general advice, make sure to submit your assignment at least several hours before the due date/time. In addition, after submitting your problem set through Canvas, make sure your submission is correct and contains all pages. If necessary, you will be able to replace your initial submission with an updated version before the deadline. You are responsible for verifying that any online assignment submission has properly been submitted through Canvas.

1. Problem Set 1: due on 2/4/2021 at 11 pm (Eastern Standard Time zone) - Canvas submission
2. Problem Set 2: due on 2/23/2021 at 11 pm (Eastern Standard Time zone) - Canvas submission
3. Problem Set 3: due on 3/18/2021 at 11 pm (Eastern Standard Time zone) - Canvas submission
4. Problem Set 4: due on 4/8/2021 at 11 pm (Eastern Standard Time zone) - Canvas submission

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<sup>1</sup>Students are responsible for checking their UF email and Canvas website daily for potential adjustments in the problem set due date schedule during the semester.