

PPHA 35550

Economic Development and Policy

Fall 2021

Mondays and Wednesdays pm

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Course objective:

The course will introduce students to the main concepts in development economics, such as modern growth theories and their relevance for low-income countries, and major topics in policy and research within the field. In the first part of the course, we will concentrate on the development facts, the main explanations highlighted in the field of economics for differences in growth and income levels between rich and poor countries, and the concept and measurement of poverty. In the second part of the course we will study microeconomic fundamentals of economic development. We will concentrate on topics such as fertility, nutrition and health, education, labor markets, intra-household allocation of resources and infrastructure and the relation among them. Empirical evidence from developing economies will be employed extensively paying special attention to the methods used.

Course Materials:

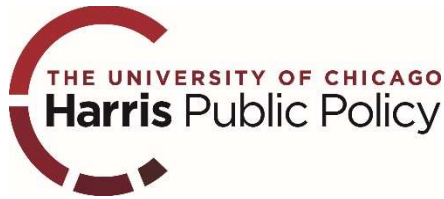
- (1) Course slides and videos posted weekly on Canvas
- (2) Readings included in this syllabus, available on Canvas or through links.

Requirements:

This course requires class attendance, the completion of 3 individual assignments, one group assignment and its presentation in class. The weights in the final grade are as follows:

Data visualization and discussions	10%
Individual assignments	30%
Group assignment and class presentation	30%
Final exam	30%

Data Visualization and Discussions. You will be required to upload a “data visualization” (DV) through Canvas (5 in total). This should be an image / figure from an article, report, newspaper, etc.,



that visualizes data related to an issue relevant to economic development and policy, broadly speaking. Images (plus a caption if needed) should be self-contained, and the source of the data should be clear. They can be interactive visualizations.

Additionally, you will be required to comment on one ‘data visualization’ (CDV) created by another student. Comments should focus on the relevance of the data visualization, its policy implications or questions raised by it. Comments should be to the point and less than 100 words. We can randomly ask about it in class.

Each data visualization (up to 5) and each comment on classmates’ visualizations (up to 5) will count 1% of your grade. You are welcome to submit more than 5 of each.

See schedule for due dates.

Individual Assignments. There are 3 individual assignments. Each assignment will count towards 10% of your grade. Problem sets are due on the dates indicated below in the tentative schedule, before class. No late assignments will be received.

Group Assignments and Presentation. Students will organize themselves in groups of 5 to work on a final assignment and in-class presentation. The class presentation should take 20 minutes or less. Please plan accordingly. This assignment and presentation will count towards 25% of your grade.

Final Exam. The final exam will be comprehensive. All required readings and classes will be included.

Re-Grades. Any item for which there is a re-grade request must be done within 7 days after we return the assignment or exam to you. The request for re-grade **MUST** be done in writing and attached to the assignment. In such cases, we will re-grade the whole assignment– not just the question you identified. As a result, your grade may be lower.

Classes. Although class attendance does not count towards the final grade, students are encouraged to attend and participate in every class in person or remotely and read the assigned materials before each meeting.

By attending course sessions, students acknowledge that:

- i. They will not: (i) record, share, or disseminate University of Chicago course sessions, videos, transcripts, audio, or chats; (ii) retain such materials after the end of the course; or (iii) use such materials for any purpose other than in connection with participation in the course.*
- ii. They will not share links to University of Chicago course sessions with any persons not authorized to be in the course session. Sharing course materials with persons authorized to be in the relevant course is permitted. Syllabi, handouts, slides, and other documents may be shared at the discretion of the instructor.*
- iii. Course recordings, content, and materials may be covered by copyrights held by the University, the instructor, or third parties. Any unauthorized use of such recordings or course materials may violate such copyrights.*
- iv. Any violation of this policy will be referred to the Area Dean of Students.*

Tentative Course Outline:

Class	Date	Topic	Assignment
Class 1	Mon, Sept 27	Introduction to Economic Development & Policy	
Class 2	Wed, Sep 29	Economic Development – Growth, Solow model	
Class 3	Mon, Oct 4	Growth, Solow Model	DV1
Class 4	Wed, Oct 6	Country Convergence & Divergence	CDV1
Class 5	Mon, Oct 11	Total Factor Productivity - Institutions	PS1
Class 6	Wed, Oct 13	Measuring Poverty	DV2
Class 7	Mon, Oct 18	Demography	CDV2
Class 8	Wed, Oct 20	Education, Early Childhood- Income Generation	PS2
Class 9	Mon, Oct 25	Education Resources, Outcomes & Provision	DV3
Class 10	Wed, Oct 27	Nutrition – Poverty traps - Labor Markets	CDV3
Class 11	Mon, Nov 1	Nutrition & Labor Markets	DV4
Class 12	Wed, Nov 3	Health, Nutrition and Economic Development	CDV4
Class 13	Mon, Nov 8	Investments in Health	PS3
Class 14	Wed, Nov 10	Infrastructure	DV5
Class 15	Mon, Nov 15	Intra-household Allocations	CDV5
Class 16	Wed, Nov 17	Buffer Meeting / Wrap-up	PS 4
THANKSGIVING WEEK – No Classes			
Class 17	Mon, Nov 29	Presentations Final Assignment	
Class 18	Wed, Dec 1	Presentations Final Assignment	
	Wed, Dec 8	FINAL EXAM	

Readings – All readings will be available at the Canvas course website. All readings indicated with ** are mandatory.

Economic Development – Growth, Solow Model – Convergence Divergence

**Maddison, Angus (2007) The world economy volume 1: A millennial perspective volume 2: Historical statistics. Academic Foundation, 2007. Introduction & Chapter 1

** Solow Model – Production Function – Part 1 Video (in Canvas)

** Solow Model – Production Function – Part 2 Video (in Canvas)

** De Long, B. (undetermined). "[Berkeley Faculty Lunch Talk: Main Themes of Twentieth Century Economic History.](#)"

**Pritchett, Lant (1997) "Divergence, Big Time." The Journal of Economic Perspectives 11, no. 3 (1997): 3-17.

Growth – Total Factor Productivity - Institutions

**Romer, Paul, "Economic Growth" in The Concise Encyclopedia of Economics. Available at:
<https://www.econlib.org/library/Enc/EconomicGrowth.html>

**Acemoglu, D. (2009), "[Introduction to Modern Economic Growth. Epilogue: Mechanics and Causes of Economic Growth](#)"

**Acemoglu, D.: [Institutional Impacts on Economic Growth and Improved Living Standards](#) - Video

**Acemoglu, Johnson and Robinson (2004), "Understanding Prosperity and Poverty: Geography, Institutions and the Reversal of Fortune", in Banarjee, Benabou & Mookherjee (eds.) Understanding Poverty.

Measuring Poverty

How much poverty? Measurement difficulties

**Debraj Ray, (1998) Development Economics, Princeton University Press, Chapter 8, pp 250-267.

**Deaton, Angus, (2004), "Measuring Poverty," in [Understanding Poverty](#), Banerjee, Benabou and Mookherjee (eds.), Oxford University Press, Chapter 1

Deaton Angus (2001) Counting the World's Poor: Problems and Possible Solutions, *World Bank Research Observer*, v. 16, iss. 2, pp. 125-147

Demography

** Eswaran, M., (2006), "Fertility in Developing Countries," in [Understanding Poverty](#), Banerjee, Benabou and Mookherjee (eds.), Oxford University Press, Chapter 10

Lam, D. and L. Marteleto, (2005) Small Families and Large Cohorts: The Impact of the Demographic Transition on Schooling in Brazil, in *Growing Up Global: The Changing Transitions to Adulthood in Developing Countries: Selected Studies*, C.B. Lloyd, et al., Editors. National Academies Press: Washington, DC. p. 56-83.

Investments in Human Capital

Early Childhood

**Heckman, J. J. (2006). Skill Formation and the Economics of Investing in Disadvantaged Children. *Science*, 312(5782), 1900–1902. doi:10.1126/science.1128898

Engle, P. L., Black, M. M., Behrman, J. R., Cabral de Mello, M., Gertler, P. J., Kapiriri, L., Young, M. E. (2007). Strategies to avoid the loss of developmental potential in more than 200 million children in the developing world. *The Lancet*, 369(9557), 229–242. doi:http://dx.doi.org/10.1016/S0140-6736(07)60112-3

Baker-Henningham, H., & Lopez Boo, F. (2010). Early Childhood Stimulation Interventions in Developing Countries: A Comprehensive Literature Review, 1–71. Retrieved from papers2://publication/uuid/54FD61A9-84D5-4BF8-BF59-F629C6174D42

Education and Income Generation

- **Case, Anne (2005), "The Primacy of Education," in Understanding Poverty, Banerjee, Benabou and Mookherjee (eds.), Oxford University Press, Chapter 19
- **Psacharopoulos, George. 1994. "Returns to investment in education: a global update," *World Development*, 22, 1325-1343.
- **Jensen, R. (2010). "The (perceived) returns to education and the demand for schooling," *The Quarterly Journal of Economics*, 125(2), 515-548

Resources and Outcomes

- **Duflo, E. 2001. "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review*, 91, 795-813.
- **Banerjee, A. et al. (2007) "Remedying Education: Evidence from Two Randomized Experiments in India," *Quarterly Journal of Economics*, Vol. 122, No. 3, Pages 1235-1264

Provision of Education

- **Duflo, E. and R. Hanna, S. Ryan (2006), "Monitoring Works: Getting Teachers to Come to School," NBER Working Paper No. W11880
- **Chaudhury N. et al., (2006), "Missing in Action: Teacher and Health Worker Absence in Developing Countries," *Journal of Economic Perspectives*, Vol. 20, No. 1, pp 91-116

Nutrition and Labor Markets

- **Debraj Ray, (1998) *Development Economics*, Princeton University Press, Chapter 8, pp 272-290
- **Debraj Ray, (1998) *Development Economics*, Princeton University Press, Chapter 13

Health

Investments in Health

- **Dupas, Pascaline (2011). "Health Behavior in Developing countries". *Annual Review of Economics* Vol. 3, pp. 425-449, September 2011.
- **Thomas, Duncan, Elizabeth Frankenberg et al. (2003). "Iron Deficiency and the Well-Being of Older Adults: Early Results from a Randomized Nutrition Intervention," mimeo

Disease and Investments in Education

- **Fortson Jane, (2008), *Mortality Risk and Human Capital Investment: the Impact of HIV/AIDS in Sub-Saharan Africa*, The University of Chicago, mimeo.

Infrastructure

- **Galiani, S., P. Gertler and E. Schargrodsky, (2003) "Water for Life: The Impact of the Privatization of Water Services on Child Mortality in Argentina"

**Dinkelman Taryn, (2011) "The effects of rural electrification on employment: New evidence from South Africa" *American Economic Review*, December, Vol. 101 No. 7: 3078–3108

Intra-household Allocation

**Case A. and A. Menendez, (2007), "Does Money Empower the Elderly? Evidence from the Agincourt Demographic Surveillance Area," *Scandinavian Journal of Public Health*, Volume 35, Issue S69, pages 157 - 164

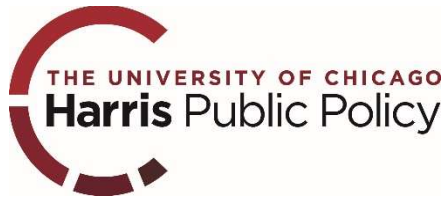
**Duflo, E., (2003) "Grandmothers and Granddaughters: Old Age Pension and Intra-household Allocation in South Africa," *World Bank Economic Review* 17(1): 1-25.

**Garg, A. and J. Morduch, (1998),"Sibling Rivalry and the Gender Gap: Evidence from Child Health Outcomes in Ghana," *Journal of Population Economics*, Vol.11 (4), pp. 471-493.

Academic Integrity

All University of Chicago students are expected to uphold the highest standards of academic Integrity and honesty. Among other things, this means that students shall not represent another's work as their own, use un-allowed materials during exams, or otherwise gain unfair academic advantage.

- The University's policies regarding academic integrity and dishonesty are described [here](#). It is worth explicitly stating the University's approach here: "It is contrary to justice, academic integrity, and to the spirit of intellectual inquiry to submit another's statements or ideas as one's own work. To do so is plagiarism or cheating, offenses punishable under the University's disciplinary system. Because these offenses undercut the distinctive moral and intellectual character of the University, we take them very seriously."
- The Harris School's policies are available in the *Harris Student Handbook* Canvas site.
 - The *Academic Honesty and Plagiarism* section expresses the main principles.
 - Detailed guidelines for more specialized student work (e.g., problem sets including computer code) are offered in the section titled *Harris Integrity Policy for Problem Sets Involving Code*.
 - Harris's specific procedures for handling suspected violations of these policies are available in the section *Harris Procedures for Allegations of Plagiarism, Cheating, and Academic Dishonesty* and are also re-produced as an Appendix to this document.
 - All students suspected of academic dishonesty will be reported to the Harris Dean of Students for investigation and adjudication. The disciplinary process can result in sanctions up to and including suspension or expulsion from the University.
 - In addition to disciplinary sanctions, I will impose a grade penalty for students who have committed academic dishonesty. The penalty may cause the student to fail the course.
 - Other penalties for violations could be imposed instead, alone or in combination. For example:



- Students will receive a grade of 0 on the exam or problem set in question as well as the next lowest problem set grade. This will often result in the student earning a failing grade in the course.
- The student will receive a grade of 0 on the exam or problem set in question and cannot earn higher than a B- in the course, regardless of their performance on other assignments and exams.
- At the instructors' discretion, the student may receive a failing grade for the course regardless of their performance on elements of the course.
- Students found in violation of academic dishonesty will receive a failing grade in the course.
- The student will receive a grade of 0 on the assignment or exam in question (subject to the discretion of the instructor).
- The student may be asked to re-do the assignment or retake the exam (without credit) to ensure that the student has learned how to properly cite sources or demonstrate that he or she has command of material covered.

Disability Accommodations

The University's policies regarding students with disabilities are available [here](#). Students who have disability accommodations awarded by the University Student Disability Services Office should inform the Harris Dean of Students office by the end of the first week of class. The Harris Dean of Students Office will work with the student and instructor to coordinate the students' accommodations implementation.

Harris students are not required to submit their accommodations letter to the instructor. Students from other divisions in the University must submit their accommodations letter to either the instructor or the Harris Dean of Students Office.

Students who do not yet have formal accommodations in place but who feel they need accommodations on a temporary or ongoing basis should contact the Harris Dean of Students Office or Student Disability Services.

Diversity and Inclusion

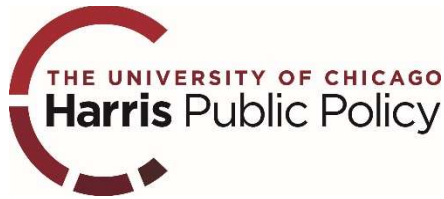
The Harris School welcomes, values, and respects students, faculty, and staff from a wide range of backgrounds and experiences, and we believe that rigorous inquiry and effective public policy problem-solving requires the expression and understanding of diverse viewpoints, experiences, and traditions. The University and the Harris School have developed distinct but overlapping principles and guidelines to insure that we remain a place where difficult issues are discussed with kindness and respect for all.

- The University's policies are available [here](#). Specifically, the University identifies the freedom of expression as being "vital to our shared goal of the pursuit of knowledge, as is the right of all members of the community to explore new ideas and learn from one another. To preserve an

environment of spirited and open debate, we should all have the opportunity to contribute to intellectual exchanges and participate fully in the life of the University.”

- The Harris School’s commitments to lively, principled, and respectful engagement are available [here](#): “Consistent with the University of Chicago’s commitment to open discourse and free expression, Harris encourages members of the leadership, faculty, student body, and administrative staff to respect and engage with others of differing backgrounds or perspectives, even when the ideas or insights shared may be viewed as unpopular or controversial.” We foster thought-provoking discourse by encouraging community members not only to speak freely about all issues but also to listen carefully and respectfully to the views of others.

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Appendix: Full Harris Academic Integrity Procedures

Harris Procedures for Allegations of Plagiarism, Cheating, and Academic Dishonesty

First Violation

If a student is accused by an instructor or teaching assistant of plagiarism, cheating, or any other form of academic dishonesty, the student will be summoned to meet with the Dean of Students and the instructor. In the meeting, the student and instructor both present information about the situation. If it is determined by the instructor and the Dean of Students that the student has, in fact, plagiarized or cheated, the following sanctions will be imposed for the first violation:

- The student will generally receive a grade of 0 on the assignment or exam in question. Please note that grading decisions are fully at the discretion of the instructor, who may decide to impose harsher grade penalties.
- The student may be asked to re-do the assignment or retake the exam (without credit) to ensure that the student has learned how to properly cite sources or demonstrate that he or she has command of material covered.
- A formal letter of finding is sent to the student stating that the student has been found in violation of the code of academic honesty and what the sanctions were. The letter, along with any evidence presented, is archived in Harris Student Affairs records until the student graduates if the student has no other violations.
- Students found in violation of the academic honesty policy are not permitted to withdraw from the course to avoid grade penalties from the instructor.
- In cases where plagiarism or academic dishonesty is egregious, the case may be referred to the Area Disciplinary Committee even on a first offense. The Dean makes all decisions about which cases will go before the Area Disciplinary Committee.

Second Violation

If a student who has already been found in violation academic dishonesty is again accused of academic dishonesty, the case will be sent to the Harris Area Disciplinary Committee. Details about the Area Disciplinary Committee procedures can be found in the [University Student Manual](#). Information about the first violation, including the formal letter of finding any evidence, will be presented to the Area Disciplinary Committee, along with evidence of the current allegation. If the student is found in violation of academic honesty a second time, the Area Disciplinary Committee can assign sanctions including transcript notes, disciplinary probation, suspension or expulsion from the University.

Academic Dishonesty Appeals

If a student has been found in violation of academic honesty and does not believe that either the finding or the sanction is fair or correct, the student has the right to appeal the finding by requesting a hearing from the Area Disciplinary Committee. More information about the Area Disciplinary Committee is available [here](#).