Economic Development and Policy
PPHA 35550
Winter Quarter 2022, Tuesdays/Thursdays 9:30pm – 10:50pm
In-Person

Faculty Advisor: Santiago Tobón (Visiting Professor)
Website: www.santiagotobon.co
Office Hours: Wednesdays: 9-11 AM /or by appointment. Please book using this link: https://calendly.com/stobonz/officehours
Email: tobon@uchicago.edu / stobonz@eafit.edu.co

Professional Advisor: TBD

Course Description:
An uneven divergence characterizes current patterns of economic development and growth. While some economies follow a long-term stable and sustained growth trend, others experience fluctuating and unpredictable scenarios. In the middle, millions of people struggle with weak institutional environments, deep deprivation, and poverty. This course aims to get students acquainted with the most relevant economic theories of development, from macro and micro perspectives, and think critically and creatively around effective interventions and solutions.

The course consists of three parts. The first covers the most relevant macroeconomic theories of growth and development. Students will be able to use analytical tools to understand exogenous and endogenous growth models and discuss theories of development ranging from culture to geography to institutions. The second part focuses broadly on poverty, its history, and its measurement. In this part, students will be able to discuss the pros and cons of different approaches to poverty measurement and leverage these measures to think critically about policy. The third part examines development through the lenses of microeconomic theories and empirical work. In this part, students will learn and reinforce concepts on impact evaluation, applied to a wide range of topics, from education and health to crime and infrastructure.

Learning Objectives:
At the end of this course,

- Students will demonstrate in-depth knowledge of macro and microeconomic approaches to understand development challenges.
- Students will learn to use macro- and micro-analytical tools to develop tailored policy solutions to real-world development challenges.
Students will develop and enhance teamwork skills.

**Grading:**
Grades are based on attendance, participation, and a set of comprehensive deliverables described below.
Students will be graded with a combination of individual (50%) and group assignments (50%). These include:

**Individual:**
- Problem sets (3) = 30%
- Class participation = 10%
- Peer evaluations = 10%

**Group:**
- Country report = 25%
- Policy brief = 25%

Details on each assignment will be available on Canvas.

**Late policy:**
Unless arrangements are made in advance, any assignment that is late will receive 10% penalty for each day late.

**Course Readings:**
The course does not have one single main text, as most sessions will cover book chapters and academic papers. Students are required, however, to buy and read one book:

- “Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty” by Abhijit Banerjee and Esther Duflo (available at the campus bookstore)

Other textbooks for interested students are:

- “Introduction to Modern Economic Growth” by Daron Acemoglu
- “The Economics of Poverty: History, Measurement and Policy” by Martin Ravallion

The full syllabus and readings are as follows. Those readings marked with two asterisks are required. Other readings are not required but strongly recommended:

**Part I: Economic development from a macro perspective**

Session 1: Introduction to economic growth and economic development
Session 2: An overview of growth theories


Session 3: Exogenous growth models

- **Barro, R. J., Sala-i-Martin, X. (2004). Economic Growth. Chapters 1.1 (The Basic Structure) and 1.2 (The Neoclassical Model of Solow and Swan)

Session 4: Endogenous growth models


Session 5: Structural determinants of the differences in economic performance


Part II: Understanding and measuring poverty

Session 6: Understanding poverty through history


Session 7: Measuring poverty


Part III: Economic development from a micro perspective

Session 8: The causality revolution (re-visiting impact evaluation methods)

Session 10: Poverty and poverty traps


Session 10: Education


Session 11: Health and nutrition


Session 12: Labor markets


Session 13: Agricultural markets


Session 14: Credit markets


Session 15: Infrastructure


Session 16: Conflict


Session 17: Crime


Session 18: Corruption


Advisor:

Students will be guided by a faculty advisor, Santiago Tobón, who will be visiting the Harris School of Public Policy during 2022. Prof. Tobón is also Professor of Economics at Universidad EAFIT in Medellín, Colombia (on academic leave during 2022). He is also a researcher of Innovations for Poverty Action—IPA, an academic member of Evidence in Governance and Politics—EGAP, an invited researcher of J-PAL's Crime and Violence Initiative, and an
affiliate of Households in Conflict Network—HiCN. Prof. Tobón is a developing economist with a special interest in crime, violence, organized crime, and public policy. He uses experimental, quasi-experimental, and qualitative methods. Before joining Universidad EAFIT, Prof. Tobón was a Postdoctoral Scholar at the University of Chicago Pearson Institute & Innovations for Poverty Action Peace and Recovery Program. He received a Ph.D. in Economics from Universidad de los Andes in 2018, an M.A. in Economics from Universidad de los Andes in 2017, and an M.A. in Economics from Université catholique de Louvain in 2012. Prof. Tobón received the 2020 Juan Luis Londoño Medal, awarded every two years to Colombians of 40 years or less who deserve recognition for the impact of their research and policy work on the welfare of Colombians.

Course Materials:
Background materials will be posted to Canvas and will be designated as either required or optional reading. Please check Canvas regularly.

Expectations:
Setting clear expectations is the key to any successful working relationship. As students, you can expect the following from your faculty advisor:

- I will come to class prepared and ready to engage in lively (but civil) discussion.
- I will support you through all of your work.
- When we are in class, my attention will be only on our work together.
- I will hold regular office hours, and I will do my best to be responsive to your questions.
- I will be clear about the limitations of my expertise.

As the advisor, I expect the following from students:
- To come to class prepared.
- Ask for help when you need it. The term is short, so there is not much time to get off track.
- Be inclusive.
- Be curious.

Attendance:
Attendance at lectures and meetings is required at least 2/3s of the time. If this becomes problematic, please reach out to me to discuss.

Other policies:

Academic integrity and plagiarism:
Just a reminder about the importance of meeting the University’s expectations regarding academic integrity: please review this excerpt from the University’s Student Manual of University Policies and Regulations: Student Conduct (https://studentmanual.uchicago.edu/Policies#Honesty)

It is contrary to justice, to academic integrity, and to the spirit of intellectual inquiry to submit the statements or ideas of work of others as one’s own. 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 and punishments for them may include expulsion from the University.

Proper acknowledgment of another's ideas, whether by direct quotation or paraphrase, is expected. In particular, if any written or electronic source is consulted and material is used from that source, directly or indirectly, the source should be identified by author, title, and page number. Any doubts about what constitutes "use" should be addressed to the instructor.

ADA student accommodations:
Any student who believes they may need assistance should inform the Office of Student Disability Services by the end of the first week of class. Once you have received an accommodation letter, it should be presented to the course instructor immediately.” https://disabilities.uchicago.edu/

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.