

PPHA 35550

Economic Development and Policy

Fall 2024

**Information about this course**

Mondays and Wednesdays 4:30-5:50 pm

**Instructor:** Alicia Menendez  
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**Teaching Assistant:** TBA

**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 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.

**This course is recommended as fundamental for the International Policy and Development (IPD) Specialization**

**Course Materials:**

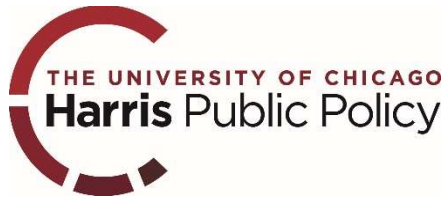
- (1) Course slides and videos posted weekly on Canvas
- (2) Readings included in this syllabus, available on Canvas or through links.

**Requirements:**

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

Individual assignments	30%
Group assignment and class presentation	30%
Final exam	40%

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



**Group Assignments and Presentation.** Students will organize themselves in groups of around 5 to work on a final assignment and in-class presentation. The **class presentation** should take 15 minutes or less. Please plan accordingly. This assignment and presentation will count towards 30% of your grade.

**Final Exam.** The final exam will be comprehensive. All required readings and classes will be included. It will be close book and individual.

**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 expected to **attend, read the assigned materials and participate in every class in person.** Class preparation will primarily involve reading the required materials before each class. Please come to class having read all required readings and as many of the other readings as you can. Any of these may be the subject of classroom discussions, and each of you is expected to join in classroom discussions and debates.

### AI Policy

Students may use large language models (LLM) such as ChatGPT, Bard, etc. AI tools, however, are not a substitute for human intellectual effort.

1. Students that use AI tools need to include the **prompt and the citation** in their work (add a page if necessary)
2. The student takes full responsibility for the accuracy of AI-generated content.
3. The student should review and edit any generated content to avoid inaccuracies, biased outputs, or misinterpretations. Overreliance on AI content, without proper attribution, may lead to unintentional plagiarism, as LLM models have been accused of plagiarism. Students must exercise caution to ensure their contributions are appropriately credited.
4. Overreliance on LLM models may limit the students’ accumulation of skills and understanding of the material.

### Tentative Course Outline:

Class	Date	Topic	Assignment
Class 1	Mon, Sept 30	Introduction to Economic Development & Policy	
Class 2	Wed, Oct 2	Economic Development – Growth, Solow model	
Class 3	Mon, Oct 7	Growth, Solow Model	
Class 4	Wed, Oct 9	Country Convergence & Divergence	PS1
Class 5	Mon, Oct 14	Total Factor Productivity - Institutions	
<b>NO CLASS</b>	<b>Wed, Oct 16</b>	<b>NO CLASS TODAY – See Class 18 on Friday Dec 6th</b>	
Class 6	Mon, Oct 21	Measuring Poverty	

Class 7	Wed, Oct 23	Demography	
Class 8	Mon, Oct 28	Education, Early Childhood- Income Generation	PS2
Class 9	Wed, Oct 30	Education Resources, Outcomes & Provision	
Class 10	Mon, Nov 4	Nutrition – Poverty Traps - Labor Markets	
Class 11	Wed, Nov 6	Nutrition & Labor Markets	
Class 12	Mon, Nov 11	Health, Nutrition and Economic Development	PS3
Class 13	Wed, Nov 13	Investments in Health	
Class 14	Mon, Nov 18	Infrastructure	
Class 15	Wed, Nov 20	Intra-household Allocations	PS 4
<b>THANKSGIVING WEEK – No Classes</b>			
Class 16	Mon, Dec 2	Presentations Final Assignment	
Class 17	Wed, Dec 4	Presentations Final Assignment	
<b>Class 18</b>	<b>Fri, Dec 6</b>	<b>Final Class - Revision</b>	
FINAL	<b>TBA</b>	<b>FINAL EXAM</b>	

**Readings** – All readings will be available on the Canvas course website. Readings indicated with \* are optional.

**Wednesday October 2<sup>nd</sup> Growth – Solow Model**

Maddison, A. (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.](#)"

**Monday October 7<sup>th</sup> Growth – Solow Model**

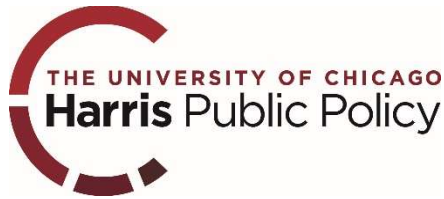
Review previous class

**Wednesday October 9<sup>th</sup> - Convergency or Divergency? Total Factor Productivity**

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

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

**Monday October 14<sup>th</sup> - Factor Productivity. Institutions**



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 Banerjee, Benabou & Mookherjee (eds.) *Understanding Poverty*.

### **Wednesday October 16<sup>th</sup> - NO CLASS TODAY**

### **Monday October 21<sup>st</sup> - How much poverty? Poverty Measurement**

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

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

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

### **Wednesday October 23<sup>rd</sup> - Demography**

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

Bongaarts, J., Hodgson, D. (2022). Fertility Trends in the Developing World, 1950–2020. In: [Fertility Transition in the Developing World](#). Springer Briefs in Population Studies. Springer, Cham.  
[https://doi.org/10.1007/978-3-031-11840-1\\_1](https://doi.org/10.1007/978-3-031-11840-1_1)

\*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.

### **Monday October 28<sup>th</sup> - Investments in Human Capital**

Case, A. (2005), "The Primacy of Education," in [Understanding Poverty](#), Banerjee, Benabou and Mookherjee (eds.), Oxford University Press, Chapter 19

Psacharopoulos, G. and H. A. Patrinos (2018) "Returns to investment in education: a decennial review of the global literature" *Education Economics*, 26:5, 445-458

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.

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 et al (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](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

\*Jensen, R. (2010). “The (perceived) returns to education and the demand for schooling,” *The Quarterly Journal of Economics*, 125(2), 515-548

### **Wednesday October 30<sup>th</sup> - Education Resources, Outcomes & Provision**

Menendez, A., U. Hoadley and A. Solovyeva (2023) “Understanding Improvements in Reading Performance in Liberia: The Centrality of Text” mimeo.

\*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

\*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

Duflo, E. R. Hanna, and S. Ryan (2006), “Monitoring Works: Getting Teachers to Come to School,” NBER Working Paper No. W11880

Menendez, A., and A. Ome (2022) “School Absenteeism Needs Immediate Attention” USAID- NORC at the University of Chicago

\*Ome, A. V. Le and A. Menendez (2014) “Incentives Systems. Literature Review” USAID Reading & Access. NORC at The University of Chicago

### **Monday November 4<sup>th</sup> – Nutrition, Poverty Traps, and Labor Markets**

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

### **Wednesday November 6<sup>th</sup> - Nutrition and Labor Markets**

Debraj Ray, (1998) *Development Economics*, Princeton University Press, Chapter 13 up to page 499

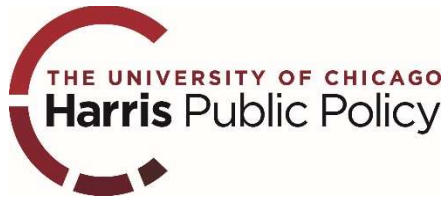
### **Monday November 11<sup>th</sup> - Investments in Health**

Dupas, P. (2011). “Health Behavior in Developing countries”. *Annual Review of Economics* Vol. 3, pp. 425-449, September 2011.

Thomas, D., et al. (2003). “Iron Deficiency and the Well-Being of Older Adults: Early Results from a Randomized Nutrition Intervention,” mimeo

### **Wednesday November 13<sup>th</sup> - Disease and Investments in Education**

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



### **Monday November 18<sup>th</sup> – Infrastructure and Development**

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

Crawford, L., R. Todd, S. Hares, J. Sandefur, and R. Silverman Bonnifield (2023) "How Much Would Reducing Lead Exposure Improve Children's Learning in the Developing World?" CGD Working Paper 650. Washington, DC: Center for Global Development. <https://www.cgdev.org/publication/how-much-would-reducing-lead-exposure-improve-childrens-learning-developing-world>

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

### **Wednesday November 20<sup>th</sup> 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 [http://www.informaworld.com/smpp/title~content=t713684341~db=all~tab=issueslist~branches=35 - v35](http://www.informaworld.com/smpp/title~content=t713684341~db=all~tab=issueslist~branches=35-v35), 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.

### **General Resources Available to Students**

- [Harris Academic Support Programs and Handbook](#)
- [Student Wellness](#)
- [University Learning Resources](#)

### **Harris School and University of Chicago Policies**

- [Harris School Policies](#)
- [University General Policies](#)
- [University Academic Policies](#)
- Policies on audio and video [recordings](#) and [deletion](#).