ECON 171- Economic Development (Summer 2015)

- **Lectures:** M-Th 4-5:30; 6/22 - 8/14
- **Professor:** Elliott Collins
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- **Office:** Giannini 238
- **Office Hours:** TTh 9:30-11 (or appointment)
- **Grader:** TBD

**Course Description**

Econ 171 is a four-unit course on the concept and issues in Economic Development and Poverty. The course will be split between discussions of general topics in the economic analysis of growth, development, and poverty. The course will study problems affecting less developed regions and highlight where the main debates currently stand, drawing from examples wherever possible. We will use both analytical and empirical methods to assess these problems and the efficacy of various strategies that have been taken to address them.

**Objectives:**

- Learn how the tools of economic analysis are applied to problems important of poverty and welfare.
- Understand different perspectives on why some poor countries have seen significant growth and welfare improvements in recent decades while others have not.
- Develop informed and nuanced perspectives on what can be done to help promote development among NGO’s, governments, and multi-lateral groups, with an emphasis on understanding and interpreting available evidence on existing policies.
- Develop communication skills required to formulate a well-written argument on a complex issue.

**Grades:**

- Problem Sets- 40%
- Midterm- 30%
- Final- 30%

**Prerequisites:** You should have taken Econ100A, EEP100, or another intermediate course in microeconomics. If you haven’t taken any such class, come discuss with me. In addition, some familiarity with statistical methods will be very helpful.

**Details**

**Academic Integrity:** As with any class, there will be no tolerance for academic dishonesty here. This includes cheating on exams and turning in writing that is not your own. The consequences for cheating can be far more serious than the consequences for getting an unsatisfactory grade (and isn’t up to me). For more information, look at and .

**Group Work:** You are strongly encouraged to study and work on quantitative problem sets in groups if possible. This makes for a much more productive learning environment. While it is important to turn
in your own work, you may turn in very similar answers to these problems and should make sure to get help when you need it.

**Communication:** The best way to reach me is by email. If you have a conversation-length question about the material in the class or problem sets, then I strongly encourage you to attend my office hours. Otherwise, email will give you a faster, more flexible, way of getting in touch about the course or the material, and will leave record of whatever was said.

**Participation:** It’s important that you actually *engage* with this material. The concepts which we will be discussing are complicated and important, and you will learn more if you also form your own thoughts and contribute them to discussion during lecture. Interrupting me will usually be encouraged. There will be no participation grade, though you may be expected to turn in brief answer to questions raised in class discussion.

**Exams**

Exams will be taken during the usual lecture time and place. The exam dates are the following:

- Midterm: Thursday, July 16th
- Cumulative Final: August 13th (last lecture)

If you cannot attend an exam, please let me know as soon as possible.

To solve exams, you will only need to bring a pen. No electronic devices, including calculators and cell phones are allowed.

Exams may include questions on issues discussed in lectures but that are not necessarily in the lecture notes, readings, or problem sets. Unless I notify you in advance, exams will never include questions on the readings that were not discussed during lecture, discussion, or in problem sets.

**Assignments**

There will be four problem sets of varying length throughout the course. In addition to the posted problem set, I may occasionally assign a question raised in lecture or class discussion for you to answer by the following lecture. These will be collected via bspace and count towards the subsequent problem set.

I will make extra credit assignments available if you would like. Note however that these will be challenging and engaging assignments that will require you to learn new skills.

**Tools & Methods**

When this class is taught during the spring or fall semesters, there are usually weekly section meetings for students to apply the concepts acquired during lectures and to learn econometric techniques. In this summer version of the course, we will not have these weekly section meetings. Instead, we will dedicate occasional lectures to learning and applying econometric tools within the context of development economics. Each new concept or method will be accompanied by some paper or piece of research that has used this technique.
Course Outline

Note that this is a work in progress and the reading list will be changing during and before the course. I will announce any changes to the reading list in advance via Bcourses and in lecture.

Starred readings (i.e. those marked with a ⋆) are required.

1. Course Intro & Patterns in Global Development
   Chapter 2 of de Janvry & Sadoulet (2014)

2. The Definition and Measurement of Development
   Chapter 1 of de Janvry & Sadoulet (2014)

3. Growth Models and Convergence
   Chapter 8, parts 1-5 of de Janvry & Sadoulet (2014)
   The Elusive Quest for Growth, Ch. 3: "Solow’s Surprise: Investment is Not the Key to Growth"

4. Tools: Regression and Causality

5. Geography, Resources, Institutions

6. Tools: Randomized Trials & Causal Inference
   Running Randomized Evaluations, Chapters 1-2 (pages 2-67)
7. Inequality & Distribution
   Chapter 6 of de Janvry & Sadoulet (2014)

8. Trade
   Chapter 7 of de Janvry & Sadoulet (2014)

   Chapter 11 of de Janvry & Sadoulet (2014)
   Poor Economics, Chapter 5: "Pak Sudarno’s Big Familly"

10. Migration, Labor, & Unemployment
   Chapter 12 of de Janvry & Sadoulet (2014)

11. Foreign Aid
   Chapter 19 of de Janvry & Sadoulet (2014)
   Shaohua Chen and Martin Ravallion. The developing world is poorer than we thought, but no less successful in the fight against poverty. The Quarterly Journal of Economics, 125(4):1577–1625, 2010

12. Poverty Traps
   Poor Economics, Chapter 2

13. Health
   Poor Economics, Chapter 3: *Low-hanging Fruit for Better (Global) Health*
   Matthew P. Fox, Sydney Rosen, William B. MacLeod, Monique Wasunna, Margaret Bii, Ganimarie Foglia, and Jonathon L. Simon. The impact of hiv/aids on labour productivity in kenya. Tropical Medicine & International Health, 9(3):318–324, 2004

   Development Economics, Econometric Appendix only pages 571-57

15. Agriculture & Property Rights
Chapter 18 & 20 (part 6) of de Janvry & Sadoulet (2014)


16. **Tools: Instrumental Variables**

   TBD...

17. **Armed Conflict**


18. **Education**


19. **Finance and Savings**

   Chapter 13 of de Janvry & Sadoulet (2014)


References


