

**Syllabus for ECO4934 Special Topics
Development Economics
Summer 2024**

Course schedule: Tu/Th 10:00- 1:20
Course meets: Graham Center 280

Instructor

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1. Course Description and Objectives

One out of ten people in developing world lives on less than \$1 per day and a quarter of the world lives on less than \$3 per day. Health status, educational attainment, and government quality are substantially lower in developing countries than in developed countries. Why are so many people so poor? What strategies can be effective in moving people out of poverty? The intention of this course is to explore the causes and correlates of global poverty, and discuss policies used to address it.

We will begin the class by defining development and poverty and looking at some general trends in these measures. We will then look at human capital within which we will cover health, nutrition, education, population, and fertility. After that we will look at finance including informal insurance, traditional credit, microcredit, and savings. From there we will move on to look at institutions and corruption.

Many of the papers we will read in this course will be empirical and one of the goals of this class will be to learn how to read, understand, and criticize empirical work. You do not need to have taken an econometrics course since we will cover the necessary tools in class. The approach of the course is microeconomic, meaning that we focus on individual and household behaviors, as well as market failures which lead to sub-optimal choices by these individuals. This course will not cover macroeconomic topics such as growth, trade, or globalization.

Learning objectives:

- Use current research in development economics to explain cases, identify areas that policy can influence, and evaluate the outcomes of development programs
- Calculate basic measures of poverty and inequality
- Use microeconomic theory to understand behaviors of individuals and households in developing countries
- Use economic models and empirical methods to evaluate development policy
- Read case studies related to development policy and issues
- Be knowledgeable about a range of policies that have sought to reduce poverty in developing countries

2. Prerequisites

EC03101, EC03203, and either MAC2311 or MAC2233

3. Textbook

You are required to purchase one book for this class. It is titled "Poor Economics" by Abhijit Banerjee and Esther Dufo, with a paperback version published by Public Affairs Press in 2011. You can buy it in the bookstore or wherever else you would like. All other reading materials will be posted on Canvas. Lecture slides will be posted on the course website before each class.

4. Course Requirements

The distribution of points will be as follows:

- In-class Quizzes, worth 25%
- Case Study Presentation, worth 30%
- 2 homework, worth 40%
- Class participation (contribution to class discussion, questions to presentation) 5%

Final letter grades are assigned based on the following scale:

A	≥ 90
A-	$86 \leq & < 90$
B+	$82 \leq & < 86$
B	$78 \leq & < 82$
B-	$74 \leq & < 78$
C+	$70 \leq & < 74$
C	$65 \leq & < 70$
D	$60 \leq & < 65$
F	< 60

4.1 In-class Quizzes

- There will be unannounced in-class quizzes throughout the course. Only those who are present in class can take the quizzes. Quizzes with your lowest score will be dropped, and then each of the remaining quizzes will equally count toward the final letter grade.
- Only lecture notes and textbook can be used.

4.2 Case Study Presentation

Each student should form a group (2 students per group) and select two cases from the list of case studies, given the link below, to present in class.

[Case Study List](#)

Please sign up through the following link.

Case Study Sign-up Sheet

Groups should prepare their own presentation with additional materials and information along with the main references provided in the list.

- Keep the group presentation strictly limited to 15 minutes. A typical structure of presentation is Backgrounds/key issues → Motivations → Interventions proposed → Study design → Results and findings → Policy suggestions, including your thoughts.
- The performance of the presentation will be evaluated based on presentation style, the contents of the presentation, and the ability to respond to questions.
- During the presentation, every student of the group is required to speak and present his/her part.
- Please send the presentation slide to me via Canvas Message by the beginning of the class on the date of presentation.
- In the last slide, you need to include references cited.

4.3 Homework

- You may work together, but your answers must be your own. If two students' answers are exactly the same, then both students will get half credit.

4.4 Class Participation

You are encouraged to ask questions and share thoughts. In particular, you are expected to ask questions to your peers' case study presentation.

5. Course Outline and Readings

With the exception of Poor Economics (indicated by "B&D" here), all readings will be posted on Canvas. The list and schedule of readings will likely change as the semester proceeds. Check the course page on Canvas for alterations.

1. Introduction to development

- [May 9] B&D Chapter 1 "Think Again, Again" (through page 9 only)
- [May 9] Banerjee, A. V. & E. Duflo (2007) "The Economic Lives of the Poor," Journal of Economic Perspectives 21(1), 141-167

2. Policy Impact Evaluation: Regressions, RCTs

- [May 9, May 14] Sykes (1992) "An Introduction to Regression Analysis"
- [May 14] de Janvry and Sadoulet (2016), Chapter 4 "Impact Evaluation of Development Policies and Programs," page 147-158 (RCT)

2. Measurement of Development and Policy Impacts

(a) Human Development Index

- [May 14] Human Development Report (2006), "Technical Note 1," 393-401
- [May 14] Human Development Report (2010), "Technical Note 1," 216-217.

(b) Poverty measures

- [May 16] Haughton and Khandker (2009) "Measuring Poverty", Handbook on Poverty and Inequality, pages 67-73, The World Bank Institute

(c) Inequality measures

- [May 16] Ray, Chapter 6 "Economic Inequality"
- [May 16] World Development Report (2006), "Equity and Development, Overview," 1-18

[May 21] Catch-up day & Excel Tutorial

3. Human Capital

(a) Health

- [May 23] B&D Chapter 1.2: "Trapped in Poverty"
- [May 23] B&D Chapter 2: "A Billion Hungry People"
- [May 23] Case 1 & 2 presentations
- [May 28] B&D Chapter 3: "Low-Hanging Fruit for Better (Global) Health?"
- [May 28] Case 3 presentation

(b) Education

- [May 28] B&D Chapter 4: "Top of the Class"
- [May 28] Case 4 & 5 presentations
- [May 30] Case 6 & 7 presentations

(c) Child Labor

- [May 30] Edmonds & Pavenik (2005) Child Labor in the Global Economy," Journal of Economic Perspectives, 19(1), 199-220

(d) Population

- [June 4] de Janvry and Sadoulet (2016), "History of World Population and Demographic Transition," pages 412-427.
- [June 4] B&D Chapter 5: "Pak Sudarno's Big Family"
- [June 4] Case 8 & 9 presentations

(e) Conditional Cash Transfers

- [May 30] The Economist "Pennies from Heaven"
- [May 30] Case 10 & 11 presentations

4. Finance: Insurance, Credit, and Savings

(a) Informal Insurance

- [June 6] B&D Chapter 6: "Barefoot Hedge-Fund Managers"

(b) Credit and Microcredit

- [June 6] B&D Chapter 7: "The Men from Kabul..."

- [June 6] Case 12 & 13 presentations
- [June 11] Morduch (1999) "The Microfinance Promise," *Journal of Economic Literature* 37(4), 1569-1614

(c) Savings

- [June 11] B&D Chapter 8: "Saving Brick by Brick"
- [June 11] Case 14, 15 & 16 presentations

5. Corruption and Institutions

(a) Corruption

- [June 13] Olken, B.A. and R. Pande (2012), "Corruption in Developing Countries," *Annual Review of Economics* 4, 479-509.
- [June 13] Case 17 & 18 presentations

6. Academic Dishonesty

Florida International University is a community dedicated to generating and imparting knowledge through excellent teaching and research, the rigorous and respectful exchange of ideas, and community service. All students should respect the right of others to have an equitable opportunity to learn and honestly demonstrate the quality of their learning. Therefore, all students are expected to adhere to a standard of academic conduct, which demonstrates respect for themselves, their fellow students, and the educational mission of the University. All students are deemed by the University to understand that if they are found responsible for academic misconduct, they will be subject to the Academic Misconduct procedures and sanctions, as outlined in the Student Conduct and Honor Code. Academic Misconduct includes:

Cheating

- The unauthorized use of any materials, information, study aids or assistance from another person on any academic assignment or exercise, unless explicitly authorized by the course Instructor;
- Assisting another student in the unauthorized use of any materials, information, study aids, unless explicitly authorized by the Instructor; and
- Having a substitute complete any academic assignment or completing an academic assignment for someone else, either paid or unpaid; and

Plagiarism

- The deliberate use and appropriation of another's work without any indication of the source and the representation of such work as the Student's own.
- Assisting another student in the deliberate use and appropriation of another's work without any indication of the source and the representation of such work as the student's own.

Learn more about the [academic integrity policies and procedures](#) as well as [student resources](#) that can help you prepare for a successful semester.

7. Disability Resource Center

The Disability Resource Center collaborates with students, faculty, staff, and community members to create diverse learning environments that are usable, equitable, inclusive, and sustainable. The DRC provides FIU students with disabilities the necessary support to successfully complete their education and participate in activities available to all students. If you have a diagnosed disability and plan to utilize academic accommodations, please contact the Center at 305-348-3532 or visit them at the Graham Center GC 190. For additional assistance please contact FIU's [Disability Resource Center](#).

8. Religious Observance

Accommodations will be made for students who wish to observe their religious holidays. Students should make their requests known at the beginning of the semester.

9. Economics Tutoring Center

The Economics Department has provided a classroom designed to assist students enrolled in various economics courses. The Tutoring Center is located in VH 136 and open Monday-Friday from 9:30 AM – 4:30 PM. Economics Ph.D. students are available during these times to help with any questions you may have.