

**THE UNIVERSITY OF WINNIPEG
ECONOMIC DEVELOPMENT – ECON-7305
Department of Economics - Winter 2017**

Lecture time: Tuesday, Thursday, 10-11:15am
Instructor: Melanie O’Gorman
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Office Hours: Tuesday, 2–4 pm or by
appointment

Course Description

This course provides an overview of the current literature on the economic growth and development of developing countries. Topics covered include economic growth, population and development, agricultural development and human capital. The objective of the course is to introduce students to some of the most active new areas of research on economic development and to apply the analytical and empirical tools for studying some of the most pressing issues faced by developing countries.

Required Textbook

Alain de Janvry and Elisabeth Sadoulet (2016), *Development Economics: Theory and practice*, Routledge.

The textbook features a Companion Website at:

<http://routledgetextbooks.com/textbooks/9781138885318/>

This website contains policy briefs, discussion questions and exercises. Students will not be graded on such material but are strongly encouraged to complete questions for each chapter as such exercises will greatly contribute to the student’s knowledge of class concepts.

Course Web Center

This course will use Nexus, a web-based course management system. It will contain most important information for the course, such as additional readings, important message and a tally of grades as the course proceeds. You can log in to Nexus at: <https://nexus.uwinnipeg.ca/>

Paper and presentation

Each student will choose a topic and summarize 3 academic papers on that topic. Topics are below:

- The Natural Resource Curse
- Property rights and economic development
- The political economy of development
- Microfinance
- Agricultural development
- Randomized control trials for education

For each academic paper the student should address:

- What is the main research question?
- Why is the question important?
- How is the question addressed?

- What are the findings of the article?
- What are the strengths and weaknesses of the article?
- What are the main contributions of the article?

The paper will be approximately 8-10 pages long (double-spaced) and should also include an introduction to the topic and a description of why the topic is important for economic development. The paper will be presented in class at the point indicated in the course outline below. The presentation should be approximately 15 minutes long.

Course outline ^{†‡}

1. The State of Development – Chapter 2

- The Economist. “The world’s next great leap forward: Towards the end of poverty.” June 1, 2013.
- The Economist. “Fighting poverty in emerging markets: The gloves go on. Lessons from Brazil, China and India.” November 26, 2009.
- The Economist. “Poverty: Growth or safety net? Eradicating extreme poverty is no longer a pipe dream. But first governments must agree on their approach.” September 21, 2013.
- The Economist. “Global economic development. Unsustainable goals: 2015 will be a big year for global governance. Perhaps too big.” March 28, 2015.

2. The History of Thought in Development Economics – Chapter 3

- Acemoglu, Daron. 2003. “Root Causes: A historical approach to assessing the role of institutions in economic development.” Finance & Development June: 27–30.

3. Impact Evaluation of Development Policies and Programs – Chapter 4

- The Economist. “The Big Push Back: Randomized trials could help show whether aid works.” December 3, 2011.
- The Economist. “A partial marvel: Microcredit may not work wonders but it does help the entrepreneurial poor.” July 16, 2009.
- Dizikes, Peter. 2012. “Taking credit: When Thailand’s government started offering microfinance loans to villagers, did anyone benefit? An MIT economist investigates.” MIT News Office <http://newsoffice.mit.edu/2012/thai-village-0510?tmp>
- The Economist. “Economics focus. To do with the price of fish: How do mobile phones promote economic growth? A new paper provides a vivid example.” May 10, 2007.

4. Inequality and Inequity – Chapter 6

- Cassidy, John. “Piketty’s Inequality Story in Six Charts.” The New Yorker, March 26, 2014.
- Thomas Piketty and Emmanuel Saez. 2014. “Inequality in the Long Run,” Science, 344: 838-843.
- Easterly, William. (2007). “Inequality Does Cause Underdevelopment: Insights from a New Instrument.” Journal of Development Economics (84): 755-776.

- Berman, Sheri. “Francis Fukuyama’s Political Order and Political Decay.” The New York Times, Sunday Review of Books. September 11, 2014.
- YouTube. Angus Deaton. “The Great Escape: Health, Wealth, and the Origins of Inequality.” <http://www.youtube.com/watch?v=XwLNqDbPNBw>

5. Economic Growth: The Macro Level – Chapters 8 and 9

- The Economist. “Emerging economies: The great deceleration.” July 27, 2013.
- The Economist. “China’s economy: Bamboo capitalism. China’s success owes more to its entrepreneurs than its bureaucrats. Time to bring them out of the shadows.” March 10, 2011

* Natural Resource Curse Presentation

6. Population and Development – Chapter 11

- The Economist. “Fertility decline, the demographic dividend, poverty and inequality: Demography and inequality.” August 2, 2012.
- Amartya Sen, “Population Policy: Authoritarianism versus Cooperation”, Journal of Population Economics, February 1997, v. 10, iss. 1, pp. 3-22.
- Salehi-Isfahani, Djavad; Abbasi-Shavazi, M. Jalal; Hosseini-Chavoshi, Meimanat, Family Planning and Fertility Decline in Rural Iran: The Impact of Rural Health Clinics, Health Economics, Supplement 1 September 2010, v. 19, pp. 159-80.
- Sadie, J. L. “The White Paper on Population Policy: The Economic-Demographic Perspective”, Journal for Studies in Economics and Econometrics, April 2000, v. 24, iss. 1, pp. 11-20.
- Blackorby, Charles; Bossert, Walter; Donaldson, David, “Foreign Aid and Population Policy: Some Ethical Considerations”, Journal of Development Economics, August 1999, v. 59, iss. 2, pp. 203-32.
- van Dalen, Hendrik P.; Reuser, Mieke (2005), “What Drives Donor Funding in Population Assistance Programs?”, Tinbergen Institute, Tinbergen Institute Discussion Papers: 05-062/1.
- David de la Croix and Axel Gosseries, “Population Policy through tradeable procreation entitlements”, International Economic Review, Vol. 50, No. 2, May 2009.

7. Financial Services for the Poor – Chapter 13

- Dewan, Shaila. “Microcredit for Americans.” The New York Times, October 28, 2013.
- The Economist. “Brazil’s Bolsa Familia: How to get children out of jobs and into school. The limits of Brazil’s much admired and emulated anti-poverty program.” July 29, 2010.

* Microfinance presentation

8. Human Capital: Education and Health – Chapter 17

- The Economist. “The path through the fields. Bangladesh has dysfunctional politics and a stunted private sector. Yet it has been surprisingly good at improving the lives of its poor.” November 3, 2012.
- The Economist. “Education: Reaching the poorest: Enrolling the world’s poorest children in school needs new thinking, not just more money from taxpayers.” January 21, 2010.
- Andrés Erosa, Tatyana Koreshkova and Diego Restuccia, “How Important Is Human Capital? A Quantitative Theory Assessment of World Income Inequality”, *Review of Economic Studies* (2010) 77(4): 1421-1449.
- George Psacharopoulos and Harry Patrinos, “Returns to Investment in Education: A Further Update”, *Education Economics*, Vol. 12, No. 2, August 2004.
- Rosenzweig, M. 1995. “Why Are There Returns to Education?” *American Economic Review*, Vol. 85(2): 153-158.
- Glewwe, P. 1996. “The Relevance of Standard Estimates of Rates of Return to Schooling for Education Policy: A Critical Assessment.” *Journal of Development Economics* 51: 267-290.
- Janet Currie, “Early Childhood Education Programs”, *Journal of Economic Perspectives*, Vol. 15, No. 2 (Spring, 2001), pp. 213-238.
- Nores, Milagros; Barnett, W. Steven, “Benefits of Early Childhood Interventions across the World: (Under) Investing in the Very Young”, *Economics of Education Review*, April 2010, v. 29, iss. 2, pp. 271-82.
- Yamauchi, Futoshi, “Early Childhood Nutrition, Schooling, and Sibling Inequality in a Dynamic Context: Evidence from South Africa”, *Economic Development and Cultural Change*, April 2008, v. 56, iss. 3, pp. 657-82.
- “Strategies to avoid the loss of developmental potential in more than 200 million children in the developing world”, *The Lancet*, Volume 369, Issue 9557, 20-26 January 2007, Pages 229-242.

* RCT for Education Presentation

9. Agriculture for Development – Chapter 18

- The Economist. “Farming in Africa: Cold comfort farms.” September 4, 2013.
- The Economist. “Brazilian agriculture. The miracle of the Cerrado: Brazil has revolutionized its own farms. Can it do the same for others?” August 26, 2010.
- The Economist. “Global Food Security Index 2015: Special Report: The Role of Innovation in Meeting Food Security Challenges.” *The Economist Intelligence Unit Limited* 2015.
- “The Greatest of All Improvements: Roads, Agriculture, and Economic Development in Africa”, Doug Gollin and Richard Rogerson, Working paper, December 2009.
- Singh, I., L. Squire, and J. Strauss, 1986. “A Survey of Agricultural Households Models: Recent Findings and Policy Implications.” *World Bank Economic Review* 1: 149-79.
- Luc Christaensen, Lionel Demery and Jesper Kuhl, “The (evolving) role of agriculture in poverty reduction – An empirical perspective”, *Journal of Development Economics*, 96 (2011), pp. 239-254.

- Francisco Alvarez-Cuadrado and Markus Poschke, “Structural change out of Agriculture: Labor Push versus Labor Pull”, working paper, McGill University.

* Agricultural development presentation

10. Development Aid and Its Effectiveness – Chapter 19

- Gore, Charles. 2013. “The New Development Cooperation Landscape: Actors, approaches, architecture.” *Journal of International Development* 25: 769–86
- "Aid and Growth: What Does the Cross-Country Evidence Really Show?" Raghuram G. Rajan and Arvind Subramanian, *Review of Economics and Statistics*, November 2008, Vol. 90, No. 4, Pages 643-665.
- Easterly, W. and T. Pfütze (2008), “Where does the Money Go? Best and Worst Practices in Foreign Aid” *Journal of Economic Perspectives* Vol. 22(2): 29-52.
- C.B. Barrett, , K.C. Heisey, “How effectively does multilateral food aid respond to fluctuating needs?”, *Food Policy*, Volume 27, Issues 5-6, October-December 2002, Pages 477-491.
- Easterly, W. “The Cartel of Good Intentions: The Problem Bureaucracy in Foreign Aid”, *Journal of Policy Reform*, 2003, pp.1-28.

11. Political Economy and the Role of the State - Chapter 21

- YouTube. Daron Acemoglu on Why Nations Fail <https://www.youtube.com/watch?v=2z5RAZlv2UQ>

* Political Economy presentation

12. Economics of Farm Households – Chapter 22

- The World Bank. “Rural households and their pathways out of poverty.” *World Development Report 2007: Agriculture for Development*. Chapter 3.
- http://siteresources.worldbank.org/INTWDRS/Resources/477365-1327599046334/8394679-1327606607122/WDR08_06_ch03.pdf
- Chris Udry (1996): “Gender, Agricultural Production, and the Theory of the Household,” *Journal of Political Economy* 104(5):1010-1046.
- Bobonis, Gustavo (2009). “Is the allocation of resources within the household efficient? New evidence from a randomized experiment,” *Journal of Political Economy* 117(3): 453-503.
- Duflo, Esther (2012). “Women Empowerment and Economic Development,” *Journal of Economic Literature* 50(4): 1051-1079.

† Tests will cover all material in assigned chapters, unless otherwise stated.

‡ Due to time constraints, all topics listed may not be covered

Evaluation

- Term test 1 – February 9, 2017 – 20%
- Term test 2 – March 16, 2017 – 20%
- Paper – Due one week after presentation - 10%
- Presentation – 10%
- Final exam – Date and time to be determined - 40%

The following Senate Regulations and Department of Economics guidelines apply to this course.

SENATE REGULATIONS

1. Senate approved final grades for all courses (other than pass/fail) include A+, A, A-, B+, B, C+, C, D and F. Unless otherwise stated by your instructor, the conversion of numerical percentage grades to letter grades is done on the following basis:

A+	90 and above	C+	65-69
A	85-89	C	60-64
A-	80-84	D	50-59
B+	75-79	F	below 50
B	70-74		

2. The voluntary withdrawal date, without academic penalty, is March 1, 2017 for courses which begin on January 4, 2017 and end on April 4, 2017. Students are encouraged to see the instructor and discuss their concerns before withdrawing.
3. The Winter Reading Week is February 19-25, 2017.
4. Please refer to the Regulations & Policies section of the *Course Calendar* with respect to the Senate appeals and academic misconduct (e.g. plagiarism, cheating) procedures.
5. All students, faculty and staff have the right to participate, learn, and work in an environment that is free of harassment and discrimination. The UW Respectful Working and Learning Environment Policy may be found online at www.uwinnipeg.ca/respect.
6. Undergraduate students who plan to conduct minimal-risk research interviews, focus groups, surveys, or any other method of collecting data from any person, even a family member, must obtain the approval of the Departmental Ethics Committee before commencing data collection. (For greater-than-minimal-risk or Graduate student studies, approval of the UHREB is also required.) Exceptions are research activities in class as a learning exercise. See <http://uwinnipeg.ca/research/human-ethics.html> for submission requirements and deadlines.
7. Students may choose not to attend classes or write examinations on holy days of their religion, but they must notify their instructors at least two weeks in advance. Instructors will then provide

opportunity for students to make up work examinations without penalty. A list of religious holidays can be found at <http://uwinnipeg.ca/academics/calendar/docs/important-notes.pdf> .

OTHER MATTERS

8. Students with documented disabilities, temporary or chronic medical conditions, requiring academic accommodations for tests/exams (e.g., private space) or during lectures/laboratories (e.g., note-takers) are encouraged to contact Accessibility Services at 204-786-9771 or accessibilityservices@uwinnipeg.ca to discuss appropriate options. All information about a student's disability or medical condition remains confidential. See <http://www.uwinnipeg.ca/accessibility>.
9. Students facing a charge of academic or non-academic misconduct may choose to contact the University of Winnipeg Students' Association (UWSA) where a student advocate will be available to answer any questions about the process, help with building a case, and ensure students have access to support. For more information or to schedule an appointment, visit www.theuwsa.ca/academic-advocacy or call 204-786-9780.
10. Please be respectful of the needs of classmates and instructors/professors by avoiding the use of unnecessary scented products while attending lectures. Exposure to scented products can trigger serious health reactions in persons with asthma, allergies, migraines or chemical sensitivities. Please consider using unscented necessary products and avoiding unnecessary products that are scented (e.g. perfume).
11. Papers must be typed.
12. For each day past the deadline, the overall grade of the paper (March 27, 2017) will be reduced by 3%.
13. Students will be asked for identification when writing a test or examination.
14. Non-programmable calculators and paper dictionaries (which will be inspected) are authorized for use in tests/exams.
15. There are no make-up tests allowed. If a test is missed due to illness or for another reason, the weight of that test will be transferred to the final exam.