

**ECO 415: Development Economics I** (Undergraduate Elective)

Monsoon 2015

**Instructor: Gitanjali Sen**

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**Class Meets on Tue/Thu: 3:30 – 5:00 pm at Room D210**

**PREREQUISITES:** Basic Calculus or MAT 101, Basic Econometrics, Principles of Macroeconomics, Intermediate Micro economics.

**COURSE OVERVIEW:**

Primary focus of this course is to build an understanding of the developing world, using basic knowledge in economic theory, econometric methods, and demography. It starts with alternatives theories of development, and then overview of developing countries, major trends in income, inequality, poverty, population, and the structural characteristics of development.

This course should help students further to pursue Development Economics as a field in graduate or doctoral studies. Students willing to understand development policy and practice, development interventions and evaluations, should take this course as a foundation.

The pedagogy will be through a combination of lecture sessions on conceptual areas, discussions of related research papers as given in the list of readings, and regular assignments. The students are expected to complete the assigned readings to participate in the discussion sessions.

The following list of topics and selected readings should give an idea about topics that I expect to cover in class. However, it may change depending on the progress of the students, their ability to learn the subject, and if any specific needs required to be addressed.

**TOPICS & READINGS:**

1. Economic Development: Overview
  - Debraj Ray, Chapter 2 & Appendix 2.
2. Economic Growth: Basic features and Patterns, theories

- Debraj Ray, Chapter 3 & 4 (selected)
3. Income and health
    - Thomas et al, “Causal Effect of Health on Labor Market Outcomes: Experimental Evidence,” working paper, UCLA, 2006.
  4. Inequality and Poverty
    - Poverty, Inequality and Development Interconnections,
      - Debraj Ray, Chapter 6 and 8 (selected)
    - Poverty & Inequality measures
      - Selected chapter from, Abhijit Banerjee, Roland Benabou and Dilip Mookerjee, Understanding Poverty, Oxford University Press, 2006.
      - Depending on class progress, we may replace with Todaro and Smith, Ch 5: Poverty and Inequality.
  5. Education
    - Education in Developing countries
    - Investment in schooling
      - Edmonds and Pavcnik, “Child Labor in the Global Economy,” Journal of Economic Perspectives, 19(1): pp 199–220, 2005.
    - School quality
      - i) Public Report on Basic Education in India (PROBE), Chapter 3, 1999.
      - ii) Bhattacharjea, Suman., Wilima Wadhwa and Rukmini Banerji. 2011. “Inside Primary Schools: A study of Teaching and Learning in Rural India,” ASER, a Pratham-Mumbai Initiative.
      - iii) ASER Report 2014.
  6. Health and Education
    - Miguel and Kremer, “Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities,” Econometrica 72(1): 159-217, 2004
  7. Poverty, Health and Nutrition
    - Ray, Chapter 8
  8. Population growth and economic development
    - Ray, Chapter 9
  9. Contemporary Models of Under Development: Ch 9: Todaro and Smith

10. Assignments given throughout the course using the IHDS data set (available for download from their website).

- Ref: India Human Development Survey, NCAER and University of Maryland.
- Data: India Human Development Survey data of 2004-05, available online. This should be downloaded during the first two weeks of class. So that students can be familiar with human development data and use them for their assignments throughout the semester. The data needs to be analyzed using STATA program installed in the Economics dept. computer lab. Students are expected to learn STATA either before joining the course or at the beginning of course. If you need any help in STATA, you may email me or see me in first two weeks, so that students do not miss any project deadline.

### **RECOMMENDED BOOKS:**

- 1) Ray, D. 1998. Development Economics. Princeton, NJ: Princeton University Press. (Oxford India paperback edition available). – Mandatory Text.  
Also, check <http://www.econ.nyu.edu/user/debraj/> for updates on the book chapters.
- 2) Selected Readings from journals. The list of selected readings, apart from the ones mentioned above will be circulated in advance.

### **Other references**

- 1) Sen, A. 1999. Development as Freedom. New York: Alfred A. Knopf. (Optional and independent Reading to expand the knowledge).
- 2) Michael P Todaro and Stephen Smith. 2011. Economic Development, Pearson, 11th edition. (Selected chapters).
- 3) Abhijit Banerjee, Roland Benabou and Dilip Mookerjee, Understanding Poverty, Oxford University Press, 2006. (selected chapters).

### **ASSESSMENT SCHEME:**

Class Participation: 10%

Short (including surprise) assignments: 30%

Mid-term: 30%

Final Exam: 30%

**GRADING POLICY:**

I usually allow enough time for submission of assignments. So, you may not need to wait till last moment and you are more than welcome to submit it any time before due date. I will not accept any submission after due date. In case, the whole class faces any difficulty in completion by given time, you should discuss with me before the deadline, so that your request can be considered. The assignment should reflect your own work. Anyone found guilty of plagiarism either in assignments or exams, will get a fail grade. If you have any query on the definition of plagiarism, you should clarify from me before submission of assignments. If you have to use any publicly available resources, you need to cite the original source.

**OFFICE HOURS:**

Tuesday: 10 am – 12:00 noon.

Students are strongly encouraged to meet me in office hours as much as possible. For data related help, you can approach my TA.

Apart from that, if you need extra help, please email me in advance to take an appointment.

I try to update course related information in my personal website at:

**Personal website:** <http://gitanjalisen.weebly.com/>