

AREC 345: Global Poverty and Economic Development

Syllabus (Revised August 24, 2016)

Department of Agricultural and Resource Economics
University of Maryland
Fall 2016

1 Course Information

1.1 Instructors

Professor: Pamela Jakiela

Office: 2216 Symons Hall

Email: pjakiela@umd.edu

Office Hours: Mondays and Wednesdays from 9:30 AM to 10:30 AM

Teaching Assistant: Dave Haeyun Noh

Email: haeyun.noh@gmail.com

Office: 2104 Symons Hall

Office Hours: Thursdays from 11:30 AM to 1:30 PM

1.2 Location and Meeting Times

Lectures

Times: Mondays and Wednesdays from 11:00 AM to 11:50 AM

Location: 2102 Shoemaker Building

Discussion Sections

Section 101: Fridays from 11:00 AM to 11:50 AM in 1114 Tydings Hall

Section 102: Fridays from 12:00 PM to 12:50 PM in 2108 Tydings Hall

1.3 Course Web Page

<http://www.pamjakiela.com/arec345.htm>

1.4 Required Textbooks

Two **required** textbooks are available at the campus bookstore:

- Banerjee, Abhijit, and Esther Duflo. (2012) *Poor Economics*. Publisher: Public Affairs (New York). ISBN: 9781610390934.
- Easterly, William. (2014) *The Elusive Quest for Growth*. Publisher: Trilateral. ISBN: 9780262550420.

An additional **recommended** textbook is available from Amazon:

- Moss, Todd. (2011) *African Development: Making Sense of the Issues and Actors*. Publisher: Lynne Rienner Publishers. ISBN: 9781588267696

1.5 Prerequisites

The course is intended for students in all majors interested in global economic development.

No training in statistics or econometrics is required to enroll in the course. However, within the course you will be introduced (or reintroduced) to the statistical and econometric tools used to conduct “impact evaluations” in development and labor economics. These empirical methods are the backbone of modern development economics, and you cannot fully engage with the policy issues we will examine unless you develop the skills to weigh the evidence. In short, if you don’t want to learn a bit of econometrics, this course is not for you.

1.6 Communication

Course announcements regarding assignments, course or office hours cancellations (including those due to inclement weather), etc. will be sent through a course email list that will be set up after the add/drop deadline (the week of September 12).

Communication between students and instructors should occur in person during class meetings and office hours. I strongly encourage you to ask questions about the syllabus and assignments during class time. For more in-depth discussions (such as guidance on assignments) please plan to visit me or the TA (or both) during office hours. Our conversations should take place in person and not via email, allowing us to get to know each other better and fostering a more engaged and interactive intellectual environment.

You should typically only use email as a tool to set up a one-on-one meeting with me or the TA if our office hours conflict with your course schedule. Please use “AREC 345 meeting request” as the subject line of your email, and please indicate the course that conflicts with my office hours (or those of the TA), including the exact course times. You should also include a brief (one or two sentence) description of the reason for the meeting.

In most cases, emails sent for other reasons will not be considered or acknowledged. This specifically refers to emails asking for information that is already included in the syllabus (e.g. office hours or exam dates), emails asking for detailed explanations of course content, and emails asking for guidance on problem sets and other assignments. As discussed below, email is not an acceptable method for documenting excused absences, and emails explaining past or future absences from classes will not receive a response.

You may, of course, use email to communicate with me or the TA in the event of a genuine emergency, particularly when dire circumstances prevent you from coming to campus for an extended period. Sending an email does not obviate the need to provide appropriate hard copy documentation of excused absences. However, we are happy to use email to coordinate the submission of make-up work or deal with other logistical issues that arise in relation to **excused** absences.

2 Course Description, Goals, and Expectations

2.1 Course Description

This course explores social and economic development around the world. It is interdisciplinary in nature, drawing upon research in development economics, development studies, political science, and anthropology. The course is divided into two parts. In the first half of the course, we'll look back at the past to try and understand the factors that shaped the global economy and contributed to the cross-country income disparities that we observe today. In the second half of the course, we'll look forward, asking what can be done to alleviate poverty and equalize access to opportunity around the world. We'll draw on readings and perspectives from several academic disciplines throughout the course. However, we'll return repeatedly to one unifying methodological theme: the usefulness of empirical economic tools in assessing the arguments presented in debates about development.

2.2 Course Goals and Expected Student Learning Outcomes

1. Introduce students to the geographies, histories, and cultures of the developing world.
2. Introduce students to the dominant themes in the history of development thought, including state-led industrialization and the Washington consensus.
3. Familiarize students with the theory and practice of impact evaluation as applied to the assessment of the efficacy of poverty reduction strategies and development projects.
4. Equip students with basic data analysis tools — specifically, by the end of the course, students should be able to open a data set in Microsoft Excel, calculate the mean and standard error of an outcome variable of interest, conduct a statistical comparison of the means of a variable across two groups, estimate the linear relationship between two variables, and read and interpret a table of regression results.

2.3 Course Schedule and Major Scheduled Grading Events

A detailed schedule of course topics and reading assignments is included at the end of the syllabus. Key dates (including exams) are listed below:

Date	Description
August 29	First day of classes
September 12	Last day to enroll in the course
September 28	First mid-term exam
November 7	Second mid-term exam
November 23	Day before Thanksgiving — no class
December 12	Last day of classes
December 16	Final exam (8:00 to 10:00 AM)

2.4 Assignments & Grading

Exams. You are required to take up to three mid-term exams. The first two exams will be held in class on September 28 and November 7; the third (final) exam will be held on December 16 from 8:00 to 10:00 AM (as outlined in the university exam schedule). Each of your two best exam scores will account for 20 points (out of a total of 137 points); your lowest exam score will not enter into your final average. Yes, this means that you do not have to take the final exam if you are happy with your first two scores. Given this policy, **absolutely no make-up exams will be given under any circumstances.** If you cannot attend at least two of the exams, you must drop the course.

Problem Sets. You will also be required to complete 9 problem sets, each of which is worth four percent of your final grade. The problem sets are primarily intended to build your empirical skills. **Problem sets are due at the start of section, and must be handed in as hard copies.** Problem sets are graded on a \checkmark^+ , \checkmark , \checkmark^- scale. Late problem sets will be penalized — for each day of lateness, your problem set score will drop by one grade (i.e. from a \checkmark to a \checkmark^-). You may work together on problem sets, but each student must hand in his or her own write-up of the answers.

Readings Quizzes. You are expected to do the assigned readings prior to each class meeting. A short (one or two question) quiz on the assigned readings will be administered at the start of class every Monday (except November 7, the date of the second mid-term exam). There are 12 readings quizzes over the course of the semester; each counts for 2 points.

Preparation for and Participation in Class Meetings. You are expected to attend lecture and section. Over the course of the semester, 8 in-class activities will be collected and graded. Each activity counts for 2 points.

Discretionary Points. Each student is allocated 3 discretionary points at the start of the semester. These points will be deducted if students are caught using electronic devices during class, submitting frivolous re-grade requests, or sending emails asking for information contained in the syllabus.

Final Grades. To summarize, final points totals will be calculated as follows:

Two highest exam grades	40 points
Problem sets	54 points
Readings quizzes	24 points
In-class activities	16 points
Discretionary points	3 points
Total	137 points

Given these points totals, final grades are calculated as follows:

Minimum Score	Maximum Score	Letter Grade
132	∞	A ⁺
127	131.999	A
123	126.999	A ⁻
119	122.999	B ⁺
113	118.999	B
109	112.999	B ⁻
105	108.999	C ⁺
100	104.999	C
95	99.999	C ⁻
91	94.999	D ⁺
0	90.999	Infamy

Your final grade for the course will be calculated using this formula. **No extra credit will be made available, and the course will not be graded on a curve.** I encourage you to keep track of the grades you receive throughout the semester. If you fail to keep track of your progress over the course of the semester, you are welcome to attend office hours to ask about your grade. I cannot respond to email requests for grade information.

It is your responsibility to collect graded assignments promptly during discussion sections. You should keep all graded assignments for the duration of the semester. If, at any point in the semester, you come to believe that we have recorded any grade incorrectly (including cases where you believe you turned in an assignment, but we have no record of your grade), your graded assignment serves as your receipt. In other words, we can only change your recorded grade if you are able to produce the graded assignment.

Re-Grade Policy. Correct solutions to problem sets and exams will be handed out in discussion sections. If you believe your work has been graded in error, you may request to have a problem re-graded. It is your responsibility to make sure that your answer to the question or sub-part of a question being re-graded is completely correct before making a request. We will not modify the allocation of partial credit, so only entirely correct answers should be submitted for re-grading. To request a re-grade, you should write a cover letter explaining which questions or sub-parts of questions (e.g. Question 2, Part b) have been graded incorrectly. Requests must be submitted less than two weeks after material is returned. To make the process incentive compatible, you will be penalized if you submit questions for regrading that were not, in fact, graded incorrectly in the first place.

2.5 Expectations for Students

You must attend class regularly (both lectures and sections). Each course activity builds on previous lectures and assignments; if you are regularly absent from class, you will likely fall further and further behind over the course of the semester. If you have an extracurricular conflict that will prevent you from attending lecture or section on a regular basis, you should not enroll in the course.

Your grade depends on your participation in in-class activities. As discussed below, suitable accommodation will be made for appropriately-documented illnesses, religious observances, and other excused absences (as defined by the university's Policy on Excused Absence — again, please see further discussion below); unfortunately, we cannot allow students who miss class for other reasons or do not follow university procedures regarding the documentation of excused absences to make-up in-class assignments.

You must do the assigned readings prior to each class meeting. Course material builds on the assigned readings. You are also expected to complete problem sets before the start of the class period in which they are due. Problem sets turned in more than 5 minutes after the start of class will be marked as one day late.

3 Course Policies

3.1 Attendance

Students are expected to attend classes regularly. Attendance and in-class participation are ongoing requirements and an integral part of the work of the course. If you have an extracurricular conflict that will prevent you from attending lecture or section on a regular basis, you should not enroll in the course. Please see the full text of the university's attendance policy here: <http://www.umd.edu/catalog/index.cfm/show/content.section/c/27/ss/1584/s/1540>. Additional information on course-related policies is available here: <http://www.ugst.umd.edu/courserelatedpolicies.html>.

It is the policy of the university to excuse the absences of students that result from the following causes: religious observances, mandatory military obligations, illness of the student or illness of an immediate family member, participation in university activities at the request of university authorities, or compelling circumstances beyond the student's control (e.g., death in the family, required court appearance). Absences stemming from work duties other than military obligation (e.g., unexpected changes in shift assignments) and traffic or transit problems do not qualify as excused absences. In the case of religious observances, university events, and planned absences known at the beginning of the semester, the student must provide hard copy documentation to the TA during the schedule adjustment period (on or before September 12). All other absences must be reported as soon as is practical.

Medical Absences. Students may, one time per course per semester, provide a self-signed excuse as documentation of an absence from a single class (e.g. lecture or section) that does not coincide with a major assessment or assignment due date. For all other medically necessitated absences, students must provide documentation from a physician or the University Health Center. This documentation must be provided in hard copy during the first class period after the student returns to class. Failure to provide an accurate statement is a violation of the Honor Code.

Religious Observances. Students will not be penalized in any way for participation in religious observances. Each student is responsible for providing written notification of anticipated absences to the instructors (in hard copy) during the schedule adjustment period. The notification must identify the religious holiday(s) and the date(s). Please

provide such documentation in writing (on paper, not over email) to the TA on or before September 12. It is the student's responsibility to contact the instructor for each course meeting in which work is missed, and make arrangements for make-up work (which must be turned in prior to the excused absence).

Other Excused Absences. The university allows for excused absences for (i) participation in university activities at the request of university authorities and (ii) compelling circumstances beyond the student's control. Notification of such foreseeable absences must be provided in writing (on paper, not over email) to the TA on or before September 12. As discussed above, attendance and in-class participation are ongoing requirements and an integral part of the work of the course. If you have an extracurricular conflict that will prevent you from attending lecture or section on a regular basis, you should not enroll in the course.

Make-Up Work. Students who miss class (have an excused absence) for a foreseeable reason (specifically, a religious observance, participation in university activities at the request of university authorities, or a compelling circumstance beyond the student's control) must turn in make-up work prior to their excused absence. It is the student's responsibility to meet with the instructor or the TA in office hours to determine a suitable make-up assignment. Students who miss class because of illness (either their own illness or the illness of a dependent) must turn in make-up work no later than one week after they return from the absence. It is the student's responsibility to speak to the TA or the professor in office hours to arrange make-up assignments.

Students who anticipate missing class on a Monday (and therefore missing a reading quiz) may submit a 3-page (12-point font, double-spaced) summary of the reading no later than the section meeting prior to the absence. These summaries must be turned in to the TA in hard copy form. This option is available for both excused and unexcused absences.

3.2 Academic Integrity

The university's Honor Code prohibits students from cheating on exams, plagiarizing papers or other assignments, submitting the same paper for credit in two courses without authorization, buying papers, submitting fraudulent documents, and forging signatures. Any violations of the Honor Code will be reported to the Office of Student Conduct and the Honor Council. For more information, please visit <http://shc.umd.edu/SHC/Default.aspx>.

3.3 Students with Disabilities

The campus's Disability Support Service (DSS) works with students and faculty to address a variety of issues ranging from learning disabilities and attention deficit hyperactivity disorders to physical and psychological disabilities. To receive accommodations, students must first register with the DSS and have their disabilities documented by DSS. The DSS office then prepares an Accommodation Letter for course instructors regarding needed accommodations. Students are responsible for presenting this letter to their instructors by the end of the drop/add period.

If you have already received an Accommodation Letter from DSS, please present a (printed, not emailed) copy to the TA or Professor Jakiela on or before September 12. We will work with you to arrange suitable accommodation. If you do not yet have an Accommodation Letter, please consult with DSS as soon as possible (4-7682 or dissup@umd.edu).

3.4 Office Hours

My office hours are on Mondays and Wednesdays from 9:30 AM – 10:30 AM. I encourage you to come by my office during office hours to introduce yourself or discuss any topic related to the course material or economics more broadly. If you cannot attend my drop-in office hours because of a course conflict, you should email me to set up an appointment (please see instructions above). Please be respectful and refrain from dropping in unannounced outside of office hours.

I will not be holding office hours on October 10 or October 12.

3.5 Technology

You must turn off and put away all laptops, ipads, tablets, phones, and any other electronic devices before the start of class. You may not use electronic devices in the classroom unless you are specifically invited to do so by the instructor (an exception can be made if a student has a disability that prevents him or her from taking notes using a pen and paper). This is not because I am opposed to technology. There is mounting evidence that students learn more effectively when they are required to notes using a pen and paper. Moreover, electronic devices are simply too tempting; tying your hands vis-a-vis electronic temptations will help us to have a more engaged, interesting, and satisfying course.

Lecture notes will be handed out at the start of each class period and are also be available on the course website after class.

3.6 Copyright Notice

My lectures and course materials, including power point presentations, tests, outlines, and similar materials, are protected by copyright. I am the exclusive owner of copyright in those materials I create. You may take notes and make copies of course materials for your own use. You may not allow others to reproduce or distribute lecture notes and course materials publicly whether or not a fee is charged without my express written consent. Similarly, you own copyright in your original papers and exam essays. If I am interested in posting your answers or papers on the course web site, I will ask for your written permission.

Persons who publicly distribute or display or help others publicly distribute or display copies or modified copies of an instructor's Course Materials may be considered in violation of the University Code of Student Conduct, Part 9(k).

4 Tentative Schedule & Reading List

Dates, topics, and assignments are subject to change over the course of the semester. All required readings not included in the textbooks can be accessed via <http://www.pamjakiela>.

com/arec345readings.htm (some links will only work on campus connections).

- **Lecture 1: Measuring Poverty and Inequality** (August 31)

Required Readings:

“Measuring Poverty” by Angus Deaton, published in *Understanding Poverty*, Abhijit Banerjee, Roland Benabou, and Dilip Mookherjee eds.

“The Economic Lives of the Poor” by Abhijit Banerjee and Esther Duflo, published in the *Journal of Economic Perspectives*

Poor Economics, chapter 1

Related Readings:

“Global Income Inequality in Numbers: in History and Now” by Branko Milanovic, published in *Global Policy*

Slate: “How Many Americans Live on \$2 per Day?”

National Poverty Center: “Extreme Poverty in the United States”

Brookings: “U.S. \$2 a Day Poverty in a Global Context”

- **Lecture 2: The Problem of Causal Inference** (September 7)

Required Readings:

Chapter 1 of *Mastering 'Metrics* by Joshua D. Angrist and Jorn-Steffen Pischke

- **Lectures 3 & 4: Geography** (September 12 & 14)

Required Readings:

“Tropics, Germs, and Crops” by William Easterly and Ross Levine, published in the *Journal of Monetary Economics*

Related Readings:

African Development, chapter 6

Guns, Germs, and Steel by Jared Diamond

“Evolution, consequences and future of plant and animal domestication” by Jared Diamond, published in *Nature* (reviews the main points of *Guns, Germs, and Steel*)

“Geography, Demography, and Economic Growth in Africa” by David Bloom and Jeffrey Sachs, published in *Brookings Papers on Economic Activity*

“The Columbian Exchange” by Nathan Nunn and Nancy Qian, published in the *Journal of Economic Perspectives*

- **Lectures 5 & 6: The African Slave Trade** (September 19 & 21)

Required Readings:

“Shackled to the Past: The Causes and Consequences of Africa’s Slave Trade” by Nathan Nunn, published in *Natural Experiments in History*

Related Readings:

“The Long Term Effects of Africa’s Slave Trades” by Nathan Nunn, published in the

Quarterly Journal of Economics

“The Slave Trade and the Origins of Mistrust in Africa” by Nathan Nunn and Leonard Wantchekon, published in the *American Economic Review*

○ **Lecture 7: The Legacy of Colonialism** (September 26)

Required Readings:

“Colonialism and Modern Income: Islands as Natural Experiments” by James Feyrer and Bruce Sacerdote, published in the *Review of Economics and Statistics*

“Tribe or Nation? Nation Building and Public Goods in Kenya versus Tanzania” by Edward Miguel, published in *World Politics*

Related Readings:

African Development, chapter 2

“History, Institutions and Economic Performance: the Legacy of Colonial Land Tenure Systems in India” by Abhijit Banerjee and Lakshmi Iyer, published in the *American Economic Review*

Chapter 4 in *We Wish to Inform You that Tomorrow We Will Be Killed with Our Families* by Philip Gourevitch

○ **Lecture 8: Development Policy after Bretton Woods** (October 3)

Required Readings:

The Elusive Quest for Growth, chapters 2 and 3

Related Readings:

African Development, chapter 3

“The Myth of Asia’s Miracle” by Paul Krugman, published in *Foreign Affairs*

○ **Lecture 9: The Debt Crisis & Structural Adjustment** (October 5)

Required Readings:

The Elusive Quest for Growth, chapters 6 and 7

Related Readings:

African Development, chapters 7–9

African Economies and the Politics of Permanent Crisis by Nicolas van de Walle

○ **Lecture 10: Trade Liberalization** (October 17)

Required Readings:

“Globalization and Poverty: An Introduction” by Ann Harrison, published in *Globalization and Poverty*, Ann Harrison ed.

Related Readings:

“Trade Liberalization, Poverty, and Inequality: Evidence from Indian Districts” by Petia Topalova, published in *Globalization and Poverty*, Ann Harrison ed.

“Globalization and Complementary Policies” by Jorge F. Balat and Guido G. Porto,

published in *Globalization and Poverty*, Ann Harrison ed.

○ **Lecture 11: The Randomization Revolution** (October 19)

Required Readings:

Impact Evaluation in Practice, chapters 3 and 4

Related Readings:

“Use of Randomization in the Evaluation of Development Effectiveness” by Esther Duflo and Michael Kremer, published in *Evaluating Development Effectiveness*

○ **Lecture 12 & 13: Health in Early Childhood** (October 24 & 26)

Required Readings:

Poor Economics, chapters 2 and 3

JPAL Policy Brief: “Deworming: A Best Buy for Development”

World Bank: “Do Infants Benefit When Older Siblings are Dewormed?”

Related Readings:

“Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities” by Edward Miguel and Michael Kremer, published in *Econometrica*

“Exploiting Externalities to Estimate the Long-term Benefits of Early Childhood Deworming” by Owen Ozier

○ **Lectures 14 & 15: The Demand for Prevention** (October 31 & November 2)

Required Readings:

“Global Health Systems: Pricing and User Fees” by Pascaline Dupas, published in the *Elsevier Encyclopedia of Health Economics*

JPAL Policy Brief: “The Price Is Wrong”

JPAL Policy Brief: “Incentives for Immunization”

Related Readings:

“Getting Essential Health Products to Their End Users: Subsidize, but How Much?” by Pascaline Dupas, published in *Science*

“Improving Immunization Coverage in Rural India: A Clustered Randomized Controlled Evaluation of Immunization Campaigns with and without Incentives” by Abhijit Banerjee, Esther Duflo, Rachel Glennerster and Dhruva Kothari, published in the *British Medical Journal*

○ **Lectures 16 & 17: The Returns to Education** (November 9 & 14)

Required Readings:

Poor Economics, chapter 4

Impact Evaluation in Practice, chapter 6

JPAL Policy Brief: “See Tomorrow’s Jobs, Invest in Girls Today”

Related Readings:

“Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment” by Esther Duflo, published in the *American Economic Review*

“Do Labor Market Opportunities Affect Young Womens Work and Family Decisions? Experimental Evidence from India” by Robert Jensen, published in the *Quarterly Journal of Economics*

○ **Lectures 18 & 19: Improving School Quality** (November 16 & 21)

Required Readings:

“Field Experiments in Education in Developing Countries” by Karthik Muralidharan, published in the *Handbook of Field Experiments*

Related Readings:

“School Governance, Teacher Incentives, and Pupil-Teacher Ratios: Experimental Evidence from Kenyan Primary Schools” by Esther Duflo, Pascaline Dupas, and Michael Kremer, published in the *Journal of Public Economics*

“Missing in Action: Teacher and Health Worker Absence in Developing Countries” by Nazmul Chaudhury, Jeffrey Hammer, Michael Kremer, Karthik Muralidharan, and F. Halsey Rogers, published in the *Journal of Economic Perspectives*

“Putting a Band-Aid on a Corpse: Incentives for Nurses in the Indian Public Health Care System” by Abhijit Banerjee, Esther Duflo, and Rachel Glennerster, published in the *Journal of the European Economic Association*

○ **Lecture 20: Youth Unemployment** (November 28)

Required Readings:

“A Firm of One’s Own: Experimental Evidence on Credit Constraints and Occupational Choice” by Andrew Brudevold, Maddalena Honorati, Pamela Jakiela, and Owen Ozer

Related Readings:

Youth Unemployment in Sub-Saharan Africa by Deon Filmer and Louise Fox

○ **Lectures 21 & 22: Microfinance** (November 30 & December 5)

Required Readings:

Poor Economics, chapters 7 and 9

JPAL Policy Brief: “Where Credit Is Due”

Related Readings:

“The Miracle of Microfinance? Evidence from a Randomized Evaluation” by Abhijit Banerjee, Esther Duflo, Rachel Glennerster, and Cynthia Kinnan, published in the *American Economic Journal: Applied Economics*

○ **Lectures 23 & 24: Firm & Farm Productivity** (December 7 & 12)

Required Readings:

JPAL Policy Brief: “A Well-Timed Nudge”