

Econ 590: MSPE Development Economics
University of Illinois at Urbana-Champaign
Department of Economics

Professor: Richard Akresh

Semester: Spring 2023

Class meeting time: Monday/Wednesday 11:00-12:20

Classroom: David Kinley Hall, Room 215B

Office: David Kinley Hall, Room 101C

Email: akresh@illinois.edu

Office Hours: Monday/Wednesday 12:30-1:30 or by appointment

Website: <https://sites.google.com/view/Akresh/>

Course Description: This course examines microeconomic development issues in poor countries. We will examine research on health, early childhood development, education, cash transfers, risk-sharing, and the causes and welfare impacts of conflict. Much of the focus of the course will be on using empirical methods to measure the causal impact of development programs. We will study specific programs that have worked in improving health/education/child outcomes and we will discuss how economists evaluate the effectiveness of these programs.

Course Prerequisites: Econ 500 (microeconomics), Econ 502 (Statistics), and Econ 503 (Econometrics) (or enrolled in Econ 503 this semester).

Course Objectives:

The first objective is to provide a critical overview of the current microeconomic development literature and central debates in economic development.

The second objective is to understand econometric and methodological issues that arise when doing microeconomic development research. In particular, we will focus on how hypotheses may be tested with data and how to identify causal relationships.

Course Requirements and Evaluation:

Grades will be based on the following:

- Problem sets (20%)
- Research summary (10%)
- Midterm exam 1 (20%)
- Midterm exam 2 (20%)
- Final exam (30%)
- Each student is expected to be able to discuss the required readings assigned for each class.

Exam Policy:

If a student has an excused absence from one of the midterm exams, the points from the missed exam will be placed on the final. There are no make-up exams. The final will then be worth 50% rather than 30%. If a student misses a second midterm exam, the instructor reserves the right to give the student a zero on that exam.

During the exams, only pens/pencils for writing are allowed in the room. There are to be no papers/books, cell phones, watches, headphones, or other items that connect to the internet. Students found to be using unapproved items are in violation of the Academic Integrity policy of the University and will be subject to disciplinary action.

Important Dates:

MIDTERM #1: Wednesday, February 22 (in class)

MIDTERM #2: Wednesday, March 29, (in class)

FINAL EXAM: Thursday, May 11, 8:00-11:00am

Readings

On the compass course site, I have added links to all of the readings.

Recommended readings:

Banerjee, Abhijit and Esther Duflo. 2019. *Good Economics for Hard Times: Better Answers to Our Biggest Problems*, Public Affairs Publishing.

Rosling, Hans, Ola Rosling, Anna Rosling Ronnlund. 2018. *Factfulness: Ten Reasons We're Wrong about the World—And Why Things are Better than You Think*, Flatiron Books.

Banerjee, Abhijit and Esther Duflo. 2011. *Poor Economics*. Public Affairs Publishing.

Gertler, Paul J., Sebastian Martinez, Patrick Premand, Laura B. Rawlings, and Christel M. J. Vermeersch. 2016. *Impact Evaluation in Practice*. Washington, D.C.: World Bank Publications. (www.worldbank.org/ieinpractice)

Easterly, William. 2002. *The Elusive Quest for Growth*. Cambridge, MA: MIT Press.

Fisman, Raymond and Edward Miguel. 2008. *Economic Gangsters: Corruption, Violence and the Poverty of Nations*. Princeton University Press.

Africa News and Development Blogs:

News:

BBC Africa: <http://news.bbc.co.uk/2/hi/africa/default.stm>

All Africa: <http://allafrica.com>

Africa Confidential: <http://www.africa-confidential.com/news>

Blogs:

<http://blogs.worldbank.org/impactevaluations/>

<http://blogs.cgdev.org/globaldevelopment/>

<http://blogs.cgdev.org/globalhealth/>

<http://african.worldbank.org/>

<http://psdblog.worldbank.org/psdblog/>

<http://chrisblattman.com/>

<http://marcfbellemare.com/wordpress/>

<http://www.poverty-action.org/blog>

Twitter:

https://twitter.com/seema_econ (Seema Jayachandran)

<https://twitter.com/pjakiela> (Pamela Jakiela)

<https://twitter.com/cblatts> (Chris Blattman)

<https://twitter.com/DaveEvansPhD> (David Evans)

<https://twitter.com/dmckenzie001> (David McKenzie)

Final Exam Conflict Policy:

From the University's final exam policy:

- Any student having more than two consecutive final examinations is entitled to rescheduling as follows if he or she takes the following action no later than the last day of classes:
 - The student must investigate whether a conflict examination is being held at another time for any of the examinations involved.
 - If a conflict examination has been scheduled for any of the courses, the student must take one or more of these conflict examinations. If conflict examinations are offered for more than one course, the student must take the conflict for the course that has the largest number of students.
 - If no conflict examinations have been scheduled, the student must contact the instructor of the course having the largest number of students. The contact must be made no later than the last day of classes, and that instructor must provide a makeup examination.
 - Normally in a semester several combined-sections, conflict, and noncombined examinations are given at the same time. As a guide to resolving conflicts, an order of priority has been established within each examination period, and a student should resolve a conflict using the published examination schedules and the following priority guidelines.
 - National and state professional examinations (e.g. CPA, actuarial science, Architecture Registration Examination) take priority over campus final examinations. An instructor must offer a conflict examination to a student scheduled to take a national or state professional examination and a campus final examination at the same time.
 - A noncombined course examination has precedence over any combined-sections or conflict examination.
 - A department offering a combined-sections final examination must provide a conflict examination if required to accommodate student conflicts.

The University's final exam policy is available at:

http://studentcode.illinois.edu/article3_part2_3-201.html

Emergency Response Recommendations:

The university maintains guidelines for emergency responses. A list of recommendations when to evacuate and when to find shelter are available at:

http://illinois.edu/cms/2251/general_emergency_response_recommendations_8_16_13_final.doc

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Floor plans for specific buildings are available at:

<http://police.illinois.edu/emergencyplanning/floorplans/>

Statement on Accommodations:

To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources Educational Services (DRES) as

soon as possible. To contact DRES you may visit 1207 S. Oak Street, Champaign, call 333-4603 (V/TTY), or email a message to disability@uiuc.edu.

Academic Integrity:

According to the Student Code, “It is the responsibility of each student to refrain from infractions of academic integrity, from conduct that may lead to suspicion of such infractions, and from conduct that aids others in such infractions.” Please know that it is my responsibility as an instructor to uphold the academic integrity policy of the University, which can be found here: <https://studentcode.illinois.edu/article1/part4/1-401/>

Academic dishonesty may result in a failing grade. Every student is expected to review and abide by the Academic Integrity Policies. It is your responsibility to read this policy to avoid any misunderstanding. Do not hesitate to ask the instructor(s) if you are ever in doubt about what constitutes plagiarism, cheating, or any other breach of academic integrity. **Read the full Student Code at** <https://studentcode.illinois.edu/>

Student Support

The Counseling Center is committed to providing a range of services intended to help students develop improved coping skills in order to address emotional, interpersonal, and academic concerns. Please visit their website to find valuable resources and services:

<https://counselingcenter.illinois.edu/>.

Counseling Center Information: 217-333-3704

Location: Room 206, Student Services Building (610 East John Street, Champaign IL)

McKinley Mental Health Information: 217-333-2705

Location: 3rd Floor McKinley Health Center 1109 South Lincoln, Urbana, IL

Emergency Dean: The Emergency Dean may be reached at (217) 333-0050 and supports students who are experiencing an emergency situation after 5 pm, in which an immediate University response is needed and which cannot wait until the next business day. The Emergency Dean is not a substitute for trained emergency personnel such as 911, Police or Fire. If you are experiencing a life-threatening emergency, call 911. Please review the Emergency Dean procedures: <http://odos.illinois.edu/emergency/>

Class Schedule:

Introduction and Economic Development Overview

William Easterly. 2014. “[Celebrity Musicians Can’t Feed the World](#)” Slate. April 29, 2014.

Sachs, Jeffrey. 2007. “[Breaking the Poverty Trap](#)” *Scientific American*, August 17, 2007.

Banerjee, Abhijit and Esther Duflo. 2007. “[The Economic Lives of the Poor](#)” *Journal of Economic Perspectives*, 21(1): 141-167.

Development Program Evaluation

Duflo, Esther, Rachel Glennerster, and Michael Kremer. 2007. “[Using Randomization in Development Economics Research: A Toolkit](#)” Handbook of Development Economics, volume 4. (Only Sections 1-3, pages 3895-3918)

Health

Cohen, Jessica and Pascaline Dupas. 2010. "[Free Distribution or Cost-Sharing? Evidence from a Randomized Malaria Prevention Experiment](#)" *Quarterly Journal of Economics*, 125(1): 1-45.

Almond, Douglas and Janet Currie. 2011. "[Killing Me Softly: The Fetal Origins Hypothesis](#)" *Journal of Economic Perspectives*, 25(3): 153-172.

Baird, Sarah, Joan Hamory Hicks, Michael Kremer, and Edward Miguel. 2016. "[Worms at Work: Long-run Impacts of a Child Health Investment](#)." *Quarterly Journal of Economics*, 131(4): 1637-1680.

Thomas, Duncan, et al. 2005. "[Iron Deficiency and the Well-Being of Older Adults: Early Results from a Randomized Nutrition Intervention](#)." Manuscript, UCLA.

Schilbach, Frank. 2017. "[Alcohol and Self-Control: A Field Experiment in India](#)." *American Economic Review*, 109(4): 1290-1322.

Early Childhood Development

Almond, Douglas and Bhashkar Mazumder. 2011. "[Health Capital and the Prenatal Environment: The Effect of Ramadan Observance during Pregnancy](#)." *American Economic Journal: Applied Economics*, 3(4): 56-85.

Attanasio, Orazio, Camila Fernandez, Emla Fitzsimons, Sally Grantham-McGregor, Costas Meghir, Marta Rubio-Codina. 2014. "[Using the Infrastructure of a Conditional Cash Transfer Program to Deliver a Scalable Integrated Early Child Development Program in Colombia: Cluster Randomized Control Trial](#)." *British Medical Journal*, 349(g5785).

Gertler, Paul, James Heckman, Rodrigo Pinto, Arianna Zanolini, Christel Vermeerch, Susan Walker, Susan Chang, and Sally Grantham-McGregor. 2014. "[Labor Market Returns to an Early Childhood Stimulation Intervention in Jamaica](#)." *Science*, 344(6187): 998-1001.

Shah, Manisha and Bryce Millett Steinberg. 2017. "Drought of Opportunities: Contemporaneous and Long Term Impacts of Rainfall Shocks on Human Capital." *Journal of Political Economy*, 125(2): 527-561.

Health: HIV/AIDS

Canning, David. 2006. "[The Economics of HIV/AIDS in Low-Income Countries: The Case for Prevention](#)." *Journal of Economic Perspectives*, 20(3), 121-142.

Thirumurthy, Harsha, Joshua Graff Zivin, and Markus Goldstein. 2008. "[The Economic Impact of AIDS Treatment](#)." *Journal of Human Resources*, 43(3): 511-552.

de Walque, Damien, William Dow, and Rose Nathan. 2014. "[Rewarding Safer Sex: Conditional Cash Transfers for HIV/STI Prevention](#)." World Bank Policy Research Working Paper 7099.

Risk-Sharing

Debraj Ray, *Development Economics*, Chapter 10.3 (p.388-395), Chapter 11, Chapter 15.1, 15.2, 15.3

Udry, Christopher. 1990. "[Credit Markets in Northern Nigeria: Credit as Insurance in a Rural Economy.](#)" *World Bank Economic Review*, 4(3): 251-269.

Frankenberg, Elizabeth, James P. Smith, and Duncan Thomas. 2003. "[Economic Shocks, Wealth, and Welfare.](#)" *Journal of Human Resources*, 38(2): 280-321.

Education

Duflo, Esther. 2001. "[Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment.](#)" *American Economic Review* 91(4), 795-813.

Jensen, Robert. 2010. "The (Perceived) Returns to Education and the Demand for Schooling," *Quarterly Journal of Economics*, 125(2): 515-548.

Cash Transfers

Akresh, Richard, Damien de Walque, and Harounan Kazianga. 2013. "[Cash Transfers and Child Schooling: Evidence from a Randomized Evaluation of the Role of Conditionality.](#)" *World Bank Policy Research Working Paper 6340.*

Angelucci, Manuela and Giacomo De Giorgi. 2009. "Indirect Effects of an Aid Program: How Do Cash Injections Affect Ineligibles' Consumption?" *American Economic Review*, 99(1), 486-508.

Causes of Conflict

Jia, Ruixue. 2014. "Weather Shocks, Sweet Potatoes and Peasant Revolts in Historical China," *Economic Journal*, 124(575): 92–118.

Dube, Oeindrila and Juan Vargas. 2013. "Commodity Price Shocks and Civil Conflict: Evidence from Colombia." *Review of Economic Studies*, 80(4): 1384-1421.

Impacts of Conflict

Akresh, Richard, Sonia Bhalotra, Marinella Leone, and Una Osili. 2017. "First and Second Generation Impacts of the Biafran War." NBER Working paper 23721.

Akresh, Richard and Damien de Walque. 2011. "Armed Conflict and Schooling: Evidence from the 1994 Rwandan Genocide." World Bank Policy Research Working Paper 4606.

Blattman, Christopher and Jeannie Annan. 2010. "The Consequences of Child Soldiering." *Review of Economics and Statistics*, 92(4): 882-898.

FINAL EXAM: Thursday, May 11, 8:00-11:00am