

Econ 450: Development Economics
University of Illinois at Urbana-Champaign
Department of Economics

Professor: Richard Akresh

Semester: Fall 2017

Class meeting time: Monday/Wednesday 9:30-10:50

Classroom: David Kinley Hall, Room 111

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Office Hours: Monday/Wednesday 11:00-12:00, or by appointment

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Course Description: In this course, we will use economic theory and analysis to examine conditions in sub-Saharan Africa. We will also use empirical methods to measure the impact of development programs. We examine why developing countries in Africa face extreme poverty, high child mortality, low levels of education, poor health, and high levels of child labor and which policies, if any, might be effective in alleviating these problems. Emphasis will be placed on analyzing current economic issues and policies in their historical context. The course is organized around a series of broad questions, which will be explored with reference to particular societies. We will examine the historical roots of the current structure of African economies, the economic reform process, agricultural and industrial development, patterns of poverty and income distribution, health and education and international economic relations.

Course Prerequisites: Econ 102 and Econ 103. Econ 302 strongly recommended.

Course Requirements and Evaluation:

Grades will be based on the following:

- Map quiz on African geography (7.5%)
- Research summary (7.5%)
- Midterm exam 1 (25%)
- Midterm exam 2 (25%)
- Final exam (35%)
- Each student is expected to be able to discuss the required readings assigned for each class.

Exam Policy:

In the event that 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 60% rather than 35%. In the event that 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.

Graduate students taking Econ 450 for 4 credits: To earn the 4th credit, you will need to complete an additional project in addition to all of the course requirements that the undergrads will complete (map quiz, research summary, 2 midterms, final exam). This project will be a 15-20 page, original research paper focused on a topic about economic development in Africa. The paper must use 1 inch margins, 12 point Times New Roman font, and must have a references section listing all of the sources you have used in the paper. By **September 29**, you must email me a 1 paragraph project proposal detailing the research question you will be working on. I will respond to these emails to approve the research topic. Only research topics approved by me are acceptable.

Research summary: Students will work in groups of 3 to write a short (2 page) summary of one of the articles tagged on the reading list. The articles that need research summaries are tagged with [research summary]. I will post all of the summaries on the compass course site.

Important Dates:

MAP QUIZ: Monday, September 18 (in class)

MIDTERM #1: Monday, October 2 (in class)

MIDTERM #2: Monday, November 13 (in class)

FINAL EXAM: Friday, December 15, 7:00-10:00 PM

Readings

On the compass course site, I have added links to most of the readings. There are 6 readings from older books that are not online and I put them in a course reader that will be available in the Illini Union Bookstore.

Recommended readings:

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

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

Easterly, William. 2009. "Can the West Save Africa?" (<http://www.nber.org/papers/w14363>), *Journal of Economic Literature*, 47(2): 373-444.

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

Radelet, Steven. 2010. *Emerging Africa: How 17 Countries are Leading the Way*. Brookings Institution 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/impac evaluations/>

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

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

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

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

<http://chrisblattman.com/>

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

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

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
[x](#)

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:

“The University has the responsibility for maintaining academic integrity so as to protect the quality of education and research on our campus and to protect those who depend upon our integrity. *Expectations of Students*. 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. Students have been given notice of this Part by virtue of its publication. Regardless of whether a student has actually read this Part, a student is charged with knowledge of it. Ignorance is not a defense.”

The University’s full academic integrity policy is available at:
http://studentcode.illinois.edu/article1_part4_1-401.html

Class Schedule:

1: Introduction (8/28)

2-3: Economic Development Overview (8/30, 9/6)

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.

MAP QUIZ: Monday, September 18 (in class)

4-6: Development Program Evaluation (9/11, 9/13, 9/18)

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)

7-9: Health: HIV/AIDS (9/20, 9/25, 9/27)

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

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

MIDTERM #1: Monday, October 2 (in class)

11-12-13: Health: Malaria, R&D, Fetal Origins Hypothesis (10/4, 10/9, 10/11)

Glennerster, Rachel, and Michael Kremer. 2000. "[A Better Way to Spur Medical Research and Development.](#)" *Regulation*, 23 (2), 34-39.

Lanjouw, Jean. 2002. "A Patent Policy Proposal for Global Diseases." In Annual World Bank Conference on Economic Development, 2001-2002. Editors B. Peskovic and N. Stern. New York, Oxford University Press, pp. 189-209. [**Course packet**] [Research summary]

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. [Research summary]

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

14-15-16: Risk-Sharing and Agriculture (10/16, 10/18, 10/30)

Debraj Ray, *Development Economics*, Chapter 10.3 (p.388-395), Chapter 11 [**course packet**]

Debraj Ray, *Development Economics*, Chapter 15.1, 15.2, 15.3 [**course packet**]

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

Richards, Paul. 1985. *Indigenous Agricultural Revolution: Ecology and Food Production in West Africa*. London: Hutchinson. (Introduction, Chapters 2, 6, Conclusion), pp. 9-17, 41-62, 142-162. [**Course packet**] [Research summary]

17-18: Cash Transfers and Education (11/1, 11/6)

Duflo, Esther. 2001. "Schooling and Labor Market Consequences of School Construction in Indonesia." Selection IV.A.3, 198-200. Based on article from *American Economic Review*, 91(4), 795-813. [**Course packet**]

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*. [Research summary]

Udry, Christopher. 2004. "[Child Labor](#)" Working paper. Yale University. [Research summary]

19: Gender and Intra-household Bargaining (11/8)

Esther Duflo video lecture, "Gender Equality and Development"

MIDTERM #2: Monday, November 13 (in class)

21-23: Macroeconomics: States, Markets, and Economic Policies (11/15, 11/27, 11/29)

Rodrik, Dani. 1991. "[Policy Uncertainty and Private Investment in Developing Countries.](#)" *Journal of Development Economics*, 36(2), 229-242. [Research summary]

24-25: Macroeconomics: Trade Patterns and Liberalization (12/4, 12/6)

McMillan, Margaret, Dani Rodrik, and Karen Horn Welch. 2002. "[When Economic Reform Goes Wrong: Cashews in Mozambique.](#)" *National Bureau of Economic Research Working Paper*, 9117. [Research summary]

26: Climate Change and Africa's future prospects (12/11)

Miguel, Edward. 2008. "[Is It Africa's Turn?](#)" *Boston Review*, May 1, 2008.

McKinsey Global Institute. 2010. "[Lions on the Move: The Progress and Potential of African Economies.](#)" (only Executive Summary)

Akresh, Richard. 2016. "[Climate Change, Conflict, and Children](#)" *Future of Children*, 26(1): 51-71. [Research summary]

Collier, Paul. 2009. "[Development in Dangerous Places: A Forum on Global Poverty and Intervention](#)" *Boston Review*, July 9, 2009.

27: Final Exam Review Session (12/13)

FINAL EXAM: Friday, December 15, 7:00-10:00 PM