

**Syllabus for ECS4011  
Development Economics  
Spring 2023**

Course schedule: Tu/Th 2:00- 3:15  
Course meets: Ocean Bank Convoc Center 119

**Instructor**

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## **1. Course Description and Objectives**

One out of ten people in developing world lives on less than \$1 per day and a quarter of the world lives on less than \$3 per day. Health status, educational attainment, and government quality are substantially lower in developing countries than in developed countries. Why are so many people so poor? What strategies can be effective in moving people out of poverty? The intention of this course is to explore the causes and correlates of global poverty, and discuss policies used to address it.

We will begin the class by defining development and poverty and looking at some general trends in these measures. We will then look at human capital within which we will cover health, nutrition, education, population, and fertility. After that we will look at finance including informal insurance, traditional credit, microcredit, and savings. From there we will move on to look at institutions and corruption.

Many of the papers we will read in this course will be empirical and one of the goals of this class will be to learn how to read, understand, and criticize empirical work. You do not need to have taken an econometrics course since we will cover the necessary tools in class. The approach of the course is microeconomic, meaning that we focus on individual and household behaviors, as well as market failures which lead to sub-optimal choices by these individuals. This course will not cover macroeconomic topics such as growth, trade, or globalization.

### **Learning objectives:**

- Use current research in development economics to explain cases, identify areas that policy can influence, and evaluate the outcomes of development programs
- Calculate basic measures of poverty and inequality
- Use microeconomic theory to understand behaviors of individuals and households in developing countries
- Use economic models and empirical methods to evaluate development policy

- Read case studies related to development policy and issues
- Be knowledgeable about a range of policies that have sought to reduce poverty in developing countries

## 2. Prerequisites

ECO3101, ECO3203, and either MAC2311 or MAC2233

## 3. Textbook

You are required to purchase one book for this class. It is titled "Poor Economics" by Abhijit Banerjee and Esther Dufo, with a paperback version published by Public Affairs Press in 2011. You can buy it in the bookstore or wherever else you would like. All other reading materials will be posted on Canvas. Lecture slides will be posted on the course website before each class.

## 4. Course Requirements

The distribution of points will be as follows:

- Attendance, worth 5%
- Case Study Presentation, worth 20%
- Quizzes, worth 25%
- Midterm Exam, 25%
- Final Exam, 25%

Final letter grades will be assigned in the following manner: the top three scores from the class are averaged. The difference between this average and 100 will be added to every student. For example, if the top-three average is 97, 3 points ( $=100-97$ ) will be added to everyone. Then, final grades are assigned based on the following scale:

A	$\geq 93$
A-	$< 93 \ \& \ \geq 90$
B+	$< 90 \ \& \ \geq 85$
B	$< 85 \ \& \ \geq 80$
B-	$< 80 \ \& \ \geq 75$
C+	$< 75 \ \& \ \geq 70$
C	$< 70 \ \& \ \geq 65$
D	$< 65 \ \& \ \geq 60$
F	$< 60$

### 4.1 Attendance

We will use FIU Check-In, the university's electronic attendance solution, where students scan a QR code located in the classroom before class starts. With minimal involvement needed by the instructor, classes can start right away without the need for manual attendance to be taken. FIU Check-In is easy to use:

- Download the free FIU Check-In app from Google play or App Store for iOS
- When you enter the classroom, mark yourself present by scanning the QR code

For more details, please refer to [FIU Check-In Student Guide](#).

#### **4.2 Case Study Presentation**

Each student should form a group (ideally, 1-2 students per group) and select two cases from the list of case studies, given the link below, to present in class.

Please sign up through the following link. Note that students who do not sign-up by January 18, Wednesday, will automatically be assigned at the instructor's discretion.

Groups should prepare their own presentation with additional materials and information along with the main references provided in the list.

- Keep the group presentation strictly limited to 15 minutes. In the presentation, first, discuss backgrounds, key issues, and motivations (2-5 minutes); second, actions taken, if applicable (3 minutes); third, results and findings (3-5 minutes); lastly, conclude the presentation with policy suggestions, including your thoughts (3 minutes).
- The performance of the presentation will be evaluated based on presentation style, the contents of the presentation, and the ability to respond to questions.
- During the presentation, every student of the group is required to speak and present his/her part.
- Please send the presentation slide to me via Canvas Message by the beginning of the class on the date of presentation.
- In the last slide, you need to include references cited.

#### **4.3 Quizzes**

- There will be (about) 6-8 quizzes on Canvas throughout the semester. Quizzes with your two lowest scores, including zeros for non-submission, will be dropped, and then each of the remaining quizzes will equally count toward 30% of the total grade.
- Quizzes will be announced at least one week before due dates. Each quiz must be taken before due dates; after the due date, you cannot take the quiz.
- Quizzes will include both written and numerical exercises. While you need to type your answers on Canvas; however, you can handwrite, scan/take photos, and upload things like equations or graphs.
- You can use the textbook and lecture notes when working on the quizzes.
- You may work together, but your answers must be your own. If two students' answers are exactly the same, then both students will get half credit.

#### **4.4 Exams**

The following dates for the mid-term and final exams have been set:

- Take-home Midterm: Week of March 13-17
- In-class Final: 12:00 – 2:00 PM on April 27

The exams are open book. There are no scheduled make-up exams. If you cannot take the exams at the scheduled times, do not take this course.

### Midterm Exam:

The exam will be posted by the morning of March 13. It will include theoretical and numerical problems as well as a research analysis essay. An electronic version should also be uploaded to Canvas.

Anything that you hand in to me should contain grammatically correct, complete sentences (this is also true for email). You are expected to type your answers. When applicable, problems state that you can hand-write, scan/photo, and upload things like equations or graphs.

Once the mid-term exam is late, you have 24 hours to turn it in with a 20% penalty. For each additional 24 hours late, 20% will be subtracted from your score; you will not receive any credit for the midterm that is five or more days late.

You CANNOT work or consult with anyone, although you can use the textbook and lecture notes.

## **5. Course Outline and Readings**

With the exception of Poor Economics (indicated by “B&D” here), all readings will be posted on Canvas. The list and schedule of readings will likely change as the semester proceeds. Check the course page on Canvas for alterations.

### 1. Introduction to development

- [Jan 12] B&D Chapter 1 “Think Again, Again” (through page 9 only)
- [Jan 12] Banerjee, A. V. & E. Duflo (2007) “The Economic Lives of the Poor,” Journal of Economic Perspectives 21(1), 141-167

### 2. Measurement of Development and Policy Impacts

#### (a) Human Development Index

- [Jan 17] Human Development Report (2006), “Technical Note 1,” 393-401
- [Jan 17] Human Development Report (2010), “Technical Note 1,” 216-217.

#### (b) Poverty measures

- [Jan 19] Haughton and Khandker (2009) “Measuring Poverty”, Handbook on Poverty and Inequality, pages 67-73, The World Bank Institute

#### (c) Inequality measures

- [Jan 24] Ray, Chapter 6 “Economic Inequality”
- [Jan 26] World Development Report (2006), “Equity and Development, Overview,” 1-18

#### (d) Impact Evaluation: Regressions, RCTs, Difference-in-Differences (DiD)

- [Jan 31, Feb 2] Sykes (1992) “An Introduction to Regression Analysis”
- [Feb 7] de Janvry and Sadoulet (2016), Chapter 4 “Impact Evaluation of Development Policies and Programs,” page 147-158 (RCT) & 165-171 (DiD)

### 3. Human Capital

#### (a) Health

- [Feb 9] B&D Chapter 1.2: “Trapped in Poverty”
- [Feb 9] CASE STUDY 1: Millennium Villages Project
  
- [Feb 14] B&D Chapter 2: “A Billion Hungry People”
- [Feb 14] CASE STUDY 2: Free bednets to fight malaria
  
- [Feb 16] B&D Chapter 3: “Low-Hanging Fruit for Better (Global) Health?”
- [Feb 16] CASE STUDY 3: Deworming to increase school attendance

#### (b) Education

- [Feb 21, 23] B&D Chapter 4: “Top of the Class”
- [Feb 21] CASE STUDY 4: Big Math: Improving Basic Math Skills in Paraguay
- [Feb 23] CASE STUDY 5: Does EdTech Substitute for Traditional Learning?

[Feb 28, Mar 2] Spring Break

#### (c) Child Labor

- [Mar 7] Edmonds & Pavenik (2005) “Child Labor in the Global Economy,” *Journal of Economic Perspectives*, 19(1), 199-220

[Mar 9] Catch-up Day

### **Week of March 13 – March 17: TAKE-HOME MIDTERM EXAM**

#### (d) Conditional Cash Transfers

- [Mar 21, 23] *The Economist* “Pennies from Heaven”
- [Mar 21] CASE STUDY 6: Cash Transfers: Changing the Debate on Giving Cash to the Poor
- [Mar 23] CASE STUDY 7: Improving Targeting of a Conditional Cash Transfer Program in Indonesia

#### (e) Population

- [Mar 28] de Janvry and Sadoulet (2016), “History of World Population and Demographic Transition,” pages 412-427.
- [Mar 30] B&D Chapter 5: “Pak Sudarno’s Big Family”
- [Mar 30] CASE STUDY 8: Reducing Child Marriage in Rural Bangladesh: Power vs Money

### 4. Finance: Insurance, Credit, and Savings

#### (a) Informal Insurance

- [Apr 4] B&D Chapter 6: “Barefoot Hedge-Fund Managers”

(b) Credit and Microcredit

- [Apr 6] B&D Chapter 7: “The Men from Kabul...”
- [Apr 6] CASE STUDY 9: Lending and Biometric Technology in Malawi
  
- [Apr 11] Morduch (1999) “The Microfinance Promise,” Journal of Economic Literature 37(4), 1569-1614
- [Apr 11] CASE STUDY 10: Health Insurance through Microfinance Networks in Rural Karnataka, India

(c) Savings

- [Apr 13] B&D Chapter 8: “Saving Brick by Brick”

[Apr 18] Catch-up Day

## 5. Corruption and Institutions

(a) Corruption

- [Apr 20] Olken, B.A. and R. Pande (2012), “Corruption in Developing Countries,” Annual Review of Economics 4, 479-509.
- [Apr 20] CASE STUDY 11: Combating Corruption in Community Development in Indonesia

(b) Institutions

- [If time allows] B&D Chapter 10: “Policies, Politics”

April 27. 12-2pm. FINAL EXAM

## 6. Academic Dishonesty

Florida International University is a community dedicated to generating and imparting knowledge through excellent teaching and research, the rigorous and respectful exchange of ideas, and community service. All students should respect the right of others to have an equitable opportunity to learn and honestly demonstrate the quality of their learning. Therefore, all students are expected to adhere to a standard of academic conduct, which demonstrates respect for themselves, their fellow students, and the educational mission of the University. All students are deemed by the University to understand that if they are found responsible for academic misconduct, they will be subject to the Academic Misconduct procedures and sanctions, as outlined in the Student Conduct and Honor Code. Academic Misconduct includes:

### *Cheating*

- The unauthorized use of any materials, information, study aids or assistance from another person on any academic assignment or exercise, unless explicitly authorized by the course Instructor;
- Assisting another student in the unauthorized use of any materials, information, study aids, unless explicitly authorized by the Instructor; and

- Having a substitute complete any academic assignment or completing an academic assignment for someone else, either paid or unpaid; and

#### *Plagiarism*

- The deliberate use and appropriation of another's work without any indication of the source and the representation of such work as the Student's own.
- Assisting another student in the deliberate use and appropriation of another's work without any indication of the source and the representation of such work as the student's own.

Learn more about the [academic integrity policies and procedures](#) as well as [student resources](#) that can help you prepare for a successful semester.

## **7. Disability Resource Center**

The Disability Resource Center collaborates with students, faculty, staff, and community members to create diverse learning environments that are usable, equitable, inclusive, and sustainable. The DRC provides FIU students with disabilities the necessary support to successfully complete their education and participate in activities available to all students. If you have a diagnosed disability and plan to utilize academic accommodations, please contact the Center at 305-348-3532 or visit them at the Graham Center GC 190. For additional assistance please contact FIU's [Disability Resource Center](#).

## **8. Religious Observance**

Accommodations will be made for students who wish to observe their religious holidays. Students should make their requests known at the beginning of the semester.

## **9. Economics Tutoring Center**

The Economics Department has provided a classroom designed to assist students enrolled in various economics courses. The Tutoring Center is located in VH 136 and open Monday-Friday from 9:30 AM – 4:30 PM. Economics Ph.D. students are available during these times to help with any questions you may have.