Development Economics

ECON 4980/6980

Fall 2024

MWF 10:00AM - 10:50AM, Norman Mayer 106

Professor: Katy Bergstrom
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Office hours: Wednesday and Friday 11:00 AM-12:00 PM
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Course Description

The quality of life in poor countries has considerably improved in the past 25 years. The number of people living on less than $1.25 a day has fallen from 1.9 billion in 1990 to 836 million in 2015. Primary school enrolment figures have shown an impressive rise to 91% in 2015, with two-thirds of developing countries having achieved gender parity in primary education. The child mortality rate has fallen by more than half. Some 2.6 billion people have gained access to improved drinking water since 1990. But gaps with rich countries remain incredibly large. What prevents poorer countries from catching up with richer ones? What distortions, market failures and institutional failures, hinder households' quest to improve their wellbeing? What policies can help alleviate these failures?

Development economics seeks to answer these questions. Because there are many (potential) reasons as to why poor countries have not caught up with rich countries, development economics covers a wide range of topics – many more than we can cover in one semester. Regardless, we will cover several major issues plaguing developing nations including (but not limited to) tropical disease burden, poor institutions, low educational attainment, poor health outcomes, gender discrimination, inadequate public service delivery, corruption, and lack of access to financial products and services (e.g., credit and savings). In the context of these topics, the course will provide an introduction to basic methods in empirical economic research (as well as data science more generally), including regression analysis and methods for causal inference. Overall, this course will give students an introduction to the frontier of research in development economics in a fairly non-technical manner.

Course Objectives

The course has three principal learning objectives: (1) to introduce students to the frontier of research on several topics in development economics, (2) to teach students how to analyze economic experiments and data using modern quantitative methods and basic programming techniques, and (3) to show students how practitioners are using experiments and data to analyze questions in development economics.

Learning Outcomes

As a result of this course, students will: (1) know where the frontier of economic research is for several topics in development economics, (2) understand several statistical methods to analyze data and estimate causal effects such as randomized controlled experiments/trials, regression analysis, difference-in-differences, and regression discontinuity, and (3) be able to identify rigorous empirical evidence and appreciate the myriad of ways in which development economists are using data and experiments to help guide development policy.

Prerequisites

The only prerequisite for this course is Econ 1010. Some knowledge of statistics is helpful (e.g., a high school level statistics course and/or MATH 1110, 1140, 1230, or 3070) but not required. If you have no prior experience with STATA, you may find it useful to take the econometrics lab (ECON 3240) course concurrently with this course. But students can most definitely succeed in this class without having taken any of these courses.

Required Student Resources

There is no textbook for the course because the material is based entirely on recent research papers in the field of development economics. Students are responsible for reading a small number of these papers, which appear in bold on the course reading list below. As we go along, I will let you know when each of the required readings should be done. The first reading should be done in the first week. Please focus on understanding the main ideas, rather than technical details (these papers can get very technical). I recommend starting with the abstracts and introductions of these research papers for this purpose. I will upload all required readings to Canvas along with lecture slides to Canvas. Students will need access to STATA, which can be purchased for $48 here (select the 6 month license Stata/BE package): https://www.stata.com/order/new/edu/profplus/student-pricing/.

Evaluation Procedures and Grading Criteria

Grades will be based on a midterm exam (25 percent), final exam (25 percent), four problem-sets which will require the use of Stata and work with real world data (10 percent each), as well as lecture attendance and participation (10 percent). Problem-sets turned in late will be graded with a 25% deduction for each day they are late. **Graduate students only**: graduate students are additionally required to submit a referee report for a paper that I will assign. The referee report will provide a detailed analysis and critique of a recent development economics paper and should be at least 5 pages long (but no longer than 8 pages). The referee report will be worth 10% of the grade for graduate students (all other assignments will be worth 90% in total, so that, for example, the midterm will be worth 25%×0.90=22.5%, each assignment will be worth 10%×0.90=9%, participation will be worth 10%×0.9=9% of your grade etc.)

Grade Thresholds:

A =	>93%
A- =	90-93%
B+=	87-90%
B =	83-87%
B- =	80-83%

C+=	77-80%
C =	73-77%
C- =	70-73%
D+=	67-70%
D =	63-67%
D- =	60-63%
F =	<60%

Extra Credit Policy

Both the midterm and the final exam will have 10 points of extra credit built in. The exams will be graded out of 100 points, but students can score a maximum of 110 points on each exam. This is the only extra credit that I will offer throughout the semester.

Problem Sets

A key learning element of the course will be four problem sets. These problem-sets will contain significant empirical components which will give students hands-on experience in working with development data. You will perform data analysis on several datasets which I will upload to Canvas and then you will turn in a write-up of the results you find as well as answers to questions. Help documents for Stata will be uploaded to Canvas; I will also include several hints in the problem sets to help guide you through using Stata. Of course, students can receive additional help using Stata by coming to my office hours. Finally, students may work together on these problem sets, however, students must write up their own code and own answers.

Course Readings

Students are responsible for reading a small number of papers which are listed in the "Course Readings" document on Canvas. Please focus on understanding the main ideas, rather than technical details. I recommend reading the abstracts, introductions, and conclusions for this purpose. I will go through the high-level ideas of these papers in lecture.

Attendance Statement

In the interest of fostering interaction and discussion, students are required to attend all lectures unless they are ill or prevented from attending by exceptional circumstances or because of other important university-level commitments. **Students' grades will be partly based on attendance and participation in class.** I will not be broadcasting the lectures via Zoom.

Tentative Course Outline

Week(s)	Topics
1-2	Introduction Disease and Development
3	Institutions

4	Statistics Review
5	Education: Returns to Education
6	Education: Demand for Education
7	Health: Health Behavior
8	Health: Health Services
9	Gender Gaps
10	Public Service Delivery
11	Corruption
12	Microfinance
13	Taxation and Development

Important Dates	Date (Subject to Change)
Labor Day	Monday September 2 (no class)
Problem Set 1	**In class on Wednesday September 18**
Problem Set 2	**In class on Wednesday October 2**
Fall Break	Thursday October 3-6
Midterm exam	**Monday October 7, 6pm-8pm (no class this day)**
Midterm grades due	Wednesday October 9
Last day to Withdraw	Monday October 21
Referee Report (master's students only)	**In class on Wednesday October 23**
Problem Set 3	**In class on Friday November 8**
Thanksgiving Break	Monday November 25 – Sunday Dec 1
Problem Set 4	**In class on Friday November 22**
Last Day of Classes	Friday December 6
Final exam	**Tuesday December 10, 12pm (please confirm date and time here: https://registrar.tulane.edu/academic-calendars/undergraduate)**

Acknowledgement

The slides for this course are partly based off material from Professor Pascaline Dupas' course taught at Stanford.

ADA/Accessibility Statement

Tulane University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability, please let me know immediately so that we

can privately discuss options. I will never ask for medical documentation from you to support potential accommodation needs. Instead, to establish reasonable accommodations, I may request that you register with the Goldman Center for Student Accessibility. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. **Goldman Center contact information:** goldman@tulane.edu; (504) 862-8433; accessibility.tulane.edu.

Code of Academic Conduct

The Code of Academic Conduct applies to all undergraduate students, full-time and part-time, in Tulane University. Tulane University expects and requires behavior compatible with its high standards of scholarship. By accepting admission to the university, a student accepts its regulations (i.e., Code of Academic Conduct and Code of Student Conduct) and acknowledges the right of the university to take disciplinary action, including suspension or expulsion, for conduct judged unsatisfactory or disruptive.

Discussion and the exchange of ideas are essential to academic work. You are encouraged to consult with your classmates on the empirical projects and to share sources. However, you should ensure that any work you submit for evaluation is the result of your own research and that it reflects your own approach to the topic. You must also adhere to standard citation practices and properly cite any books, articles, websites, lectures, etc. that have helped you with your work. If you received any help with your work (e.g., feedback on drafts, help with code or programming), you must also acknowledge this assistance. No collaboration of any kind is allowed during the midterm exam or the final exam.

Religious Accommodation Policy

Both Tulane's policy of non-discrimination on the basis of religion and our core values of diversity and inclusion require instructors to make reasonable accommodations to help students avoid negative academic consequences when their religious obligations conflict with academic requirements. Every reasonable effort should be made to allow members of the university community to observe their religious holidays without jeopardizing the fulfillment of their academic obligations. It is never acceptable for an instructor to compel a student to choose between religious observance and academic work. Absence from classes or examinations for religious reasons does not relieve students from responsibility for any part of the course work required during the period of absence. It is the obligation of the student to provide faculty within the first two weeks of each semester their intent to observe the holiday so that alternative arrangements convenient to both students and faculty can be made at the earliest opportunity. Students who make such arrangements will not be required to attend classes or take examinations on the designated days, and faculty must provide reasonable opportunities for such students to make up missed work and examinations. Exceptions to the requirement of a make-up examination must be approved in advance by the dean of the school in which the course is offered. A religious calendar is available.

Title IX:

Tulane University recognizes the inherent dignity of all individuals and promotes respect for all people. As such, Tulane is committed to providing an environment free of all forms of discrimination including sexual and gender-based discrimination, harassment, and violence like sexual assault, intimate partner violence, and stalking. If you (or someone you know) has experienced or is experiencing these types of behaviors, know that you are not alone. Resources and support are

available: you can learn more at allin.tulane.edu. Any and all of your communications on these matters will be treated as either "Confidential" or "Private" as explained in the chart below. Please know that if you choose to confide in me I am required by the university to share your disclosure in a Care Connection to the Office of Case Management and Victim Support Services to be sure you are connected with all the support the university can offer. The Office of University Sexual Misconduct Response and Title IX Administration is also notified of these disclosures. You choose whether or not you want to meet with these offices. You can also make a disclosure yourself, including an anonymous report, through the form at tulane.edu/concerns.

Confidential	Private
Except in extreme circumstances, involving imminent danger to one's self or others, nothing will be shared without your explicit permission. ▪ Counseling & Psychological Services (CAPS) | (504) 314-2277 ▪ The Line (24/7) | (504) 264-6074 ▪ Student Health Center | (504) 865-5255 ▪ Sexual Aggression Peer Hotline and Education (SAPHE) | (504) 654-9543	*Conversations are kept as confidential as possible, but information is shared with key staff members so the University can offer resources and accommodations and take action if necessary for safety reasons.* ▪ Case Management & Victim Support Services | (504) 314-2160 or srss@tulane.edu ▪ Tulane University Police (TUPD) | Uptown - (504) 865-5911 | Downtown – (504) 988-5531 ▪ Office of University Sexual Misconduct Response and Title IX Administration | (504) 865-5611 or msmith76@tulane.edu ▪ Student Affairs Professional On-Call (24/7) | (504) 920-9900

Emergency Preparedness & Response:

EMERGENCY NOTIFICATIONS: TU ALERT	SEVERE WEATHER
In the event of a campus emergency, Tulane University will notify students, faculty, and staff by email, text, and/or phone call. You were automatically enrolled in this system when you enrolled at the university. Check your contact information annually in Gibson Online to confirm its accuracy.	▪ Follow all TU Alerts and outdoor warning sirens ▪ Seek shelter indoors until the severe weather threat has passed and an all-clear message is given ▪ Do not use elevators ▪ Do not attempt to travel outside if weather is severe Monitor the Tulane Emergency website (tulane.edu/emergency/) for university-wide closures during a severe weather event
ACTIVE SHOOTER / VIOLENT ATTACKER	**EVERBRIDGE APP**

▪ **RUN** – run away from or avoid the affected area, if possible ▪ **HIDE** – go into the nearest room that can be locked, turn out the lights, and remain hidden until all-clear message is given through TU ALERT ▪ **FIGHT** – do not attempt this option, except as a last resort ▪ For more information or to schedule a training, visit emergencyprep.tulane.edu	▪ Download the Everbridge app from the App Store or Google Play store ▪ The Report feature allows you to silently and discreetly communicate with TUPD dispatchers ▪ The SOS button allows you to notify TUPD if you need help ▪ The Safe Corridor button serves as a virtual escort and allows you to send check-in notifications to TUPD

From: Tulane Office of emergency preparedness and response