

Course syllabus – Econ 590: Development Economics. Fall 2019  
Professor Rebecca Thornton – [rebeccat@illinois.edu](mailto:rebeccat@illinois.edu)

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Class

Tue and Thurs: 11AM-12:20AM  
Location: 223 DKH

Office hours

Fridays 2-3:30 or by appointment  
Location: 117 DKH

\*E-mail is the preferred method of contact. Please do not just “drop by”\*.

I. Course Description

This course is an elective course for the MSPE program. The aim of this course is to provide an overview of the current theoretical and empirical literature on the microeconomic foundations of development. We will investigate human capital, gender and the family, risk and insurance, savings, entrepreneurship, finance, and institutions. On the methodological side, we will examine econometric techniques that researchers have used to identify causal relationships.

II. Course Goals and Objectives

- Gain an in depth understanding about global development issues and the empirical and theoretical tools economists use to investigate them.
- Read and discuss some of the most influential papers in development economics.
- Learn how to read and critically evaluate original research. Be able to develop an understanding of the intuition behind an analytical approach even if you are unfamiliar with the technical details.
- Improve your ability to articulate economic theory and evidence related to behavior, policy, and global development.

III. Grading

Required work for the course consists of the following:

1. Exam 1 15%
2. Exam 2 15%
3. In class group presentation 15%
4. Paper summaries 20%
5. Class participation 15% (Based on attendance, participation)
6. Final exam 20%

#### IV. Class Structure and Policies

- Please show up. And participate. Class participation is an important component of the course.
- I discourage electronic note-taking. It is distracting for others, for me, and less-effective for learning.
- Readings are essential to understanding and participating in lectures and performing well on exams. You are expected to do required readings before class and participate in lectures.

All readings listed are required. Additional papers will be covered in lecture and will also be tested on.

For starred readings, you should post a short set of discussion notes in the assignments section of the course website. Discussion notes should be no more than one page and are due by 8am.

For readings with one \*:

- o Provide a brief summary of the main ideas;
- o What did you find most interesting/insightful and why? (no more than one paragraph)
- o Describe anything you had questions on or had a difficult time understanding;

For readings with two \*\*'s (approximately one paragraph each):

- o Provide a brief summary;
- o Describe the empirical strategy and main results
- o Discuss why the paper is considered a contribution;
- o Describe anything you had questions on or had a difficult time understanding;

- Presentation: You will be assigned to groups to prepare and present an in-class lecture.
- The two in-class exams will draw from lectures and papers covered in class. The final exam will be cumulative.

#### V. Course Material

Please purchase:

Abhijit Banerjee, Esther Duflo, Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty, PublicAffairs, 2012.

Additional readings on the syllabus are required to explore an issue in greater detail. These materials are available either online, or on the course website.

## VI. Academic Integrity

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/>.

If you are caught cheating or plagiarizing, you will get a zero on the assignment and will be reported through the FAIR system.

## VII. Special Needs

Contact me if you will require accommodation for special learning needs. To obtain disability-related academic adjustments and/or auxiliary aids, contact 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](mailto:disability@uiuc.edu). <http://www.disability.illinois.edu/>.

## VIII. Emergency Response Recommendations

The university maintains guidelines for emergency responses.

See: <http://police.illinois.edu/emergency-preparedness/>. I encourage you to review this website and the campus building floor plans website within the first 10 days of class:

<http://police.illinois.edu/emergency-preparedness/building-emergency-action-plans/>.

## Course Outline/Weekly Schedule

Week	Tuesday	Thursday
1	August 27	August 29
	Lecture 1: Introduction	Lecture 2: Economic lives of the poor
		<ul style="list-style-type: none"> <li>- * Economic Lives of the Poor</li> <li>- * A Quiet Violence, Chapter 12</li> <li>- Poor Economics: Forward</li> </ul>
2	September 3	September 5
	Lecture 3: Measurement	Lecture 4: Poverty traps
		<ul style="list-style-type: none"> <li>- *Poor Economics: Chapter 1</li> </ul>
3	September 10	September 12
	Lecture 5: Nutrition	Lecture 6: Impact of Better Health
	<ul style="list-style-type: none"> <li>- * Poor Economics: Chapter 2</li> </ul>	<ul style="list-style-type: none"> <li>- ** Thomas et al. Iron</li> </ul>
4	September 17	September 19
	Lecture 7: Externalities	Lecture 8: Low hanging fruit?
	<ul style="list-style-type: none"> <li>- ** Miguel and Kremer. Worms</li> </ul>	<ul style="list-style-type: none"> <li>- *Poor Economics: Chapter 3</li> </ul>

Week	Tuesday	Thursday
5	September 24	September 26
	Lecture 9: Quality and Access	Lecture 10: Health behavior
	- ** Banerjee Duflo. Improving Health Care Delivery in India	
6	October 1	October 3
	Exam 1	Lecture 11: Returns to education
		- * Poor economics: Chapter 4, pp 71- 78 - ** Duflo. Schooling and Labor Market Consequences of School Construction
7	October 8	October 11
	Lecture 12: Quantity and quality	Lecture 13: Inputs
	- ** Boone et al. Surprisingly Dire Situation of Children's Education	- * Poor economics: Chapter 4, pp 78-101
8	October 15	October 17
	Lecture 14: Incentives	Lecture 15: Information and beliefs
	- ** Miguel et al. Incentives to learn	- ** Jensen. Perceived Returns

Week	Tuesday	Thursday
9	October 22	October 24
	Lecture 16: What works, what doesn't, for whom	Lecture 17: Population
		- * Poor Economics: Chapter 5, pp 103-123

10	October 29	October 31
	Lecture 18: Family models & gender	Lecture 19: Intra-household decision making
	- * Poor Economics: Chapter 5: pp 123-129	- * Ashraf, Field, and Lee, "Household Bargaining and Excess Fertility"

11	November 5	November 7
	Exam 2	Lecture 20: Risk
		- * Poor Economics: Chapter 6

12	November 12	November 14
	Lecture 21: Informal Insurance	Lecture 22: Formal insurance
	- * Besley, Nonmarket Institutions for Credit and Risk Sharing	- * Health insurance. Thornton et al.

Week	Tuesday	Thursday
13	November 19	November 21
	Lecture 23 (Student): Entrepreneurship	Lecture 24 (Student): Lending
	- *Poor Economics: Chapter 9	- *Poor Economics: Chapter 7
14	November 26	November 28
	No Class	No class
15	December 3	December 5
	Lecture 25 (Student): Savings	Lecture 26 (Student): Institutions
	- *Poor Economics: Chapter 8	- *Poor Economics: Chapter 10 - * WDR 2004 Overview and Chapter 1
16	December 10	TBD
	Lecture 27 and Review	
	- *Poor Economics: In place of a sweeping conclusion	