

# Syllabus for INTA 630

## International Economic Development

### Spring 2021

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#### CONTACT INFORMATION

Instructor: Prof. Serra

Email: [dserra@tamu.edu](mailto:dserra@tamu.edu)

Office Hours: Tuesday 3-5pm or by appointment

Office: 242, 2<sup>nd</sup> floor, new LASB Building (*NOT Allen*)

Classroom: ONLINE

Zoom link: *On Canvas*

#### COURSE DESCRIPTION

Why are some countries so much poorer than others? What is the relationship between economic growth and human development? And why are some people unable to move out of poverty? This course will address these questions by introducing students to key areas of development economics. During the first half of the semester students will examine a variety of topics, including: 1) poverty, inequality and human development; 2) the relationship between growth and development; 3) access to health and education in developing countries; 4) credit market failures and access to informal credit mechanisms, 5) the relationship between geography, institutions and development, and 6) the role that foreign aid might play in a country's development process. During the second part of the semester, students will be exposed to the frontier of development economics research, which incorporates insights from behavioral economics to better understand the preferences and behaviors of the poor.

#### COURSE OBJECTIVES

This course is designed to provide students with a broad understanding of the theory and empirics of international economic development. By the end of the course, students will be able to:

1. Distinguish between different definitions and measures of poverty, inequality and economic development.
2. Analyze the relationship between economic growth, poverty and human development.
3. Explain the role that different factors may have on a country development process, including population growth, geography, foreign aid and access to health, education and credit.
4. Explain the added value of behavioral economics to a number of topics in development economics.
5. Analyze the external and internal (or behavioral) constraints facing the poor in specific developing countries.

#### PREREQUISITES

BUSH 631 is a prerequisite for this course. Students are expected to understand statistical analysis and be able to interpret results generated by regression analysis.

#### REQUIRED READING

The course will cover a number of recent journal articles, which students will be required to read. The articles will be posted on the class website on Canvas.

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#### RECOMMENDED BOOKS

- *Economics of Development*, by Perkins, Radelet, Lindauer and Block. Seventh edition. This is a very comprehensive development book and we will read selected sections of it. In the readings section of the syllabus, I refer to this book as “textbook”.
- A. B. Banerjee, R. Benabou, D. Mookherjee (eds), *Understanding Poverty*, Oxford University Press, 2006.
- J. Sachs, *The end of poverty: economic possibilities for our time*, New York : Penguin Press, 2005.
- Banerjee, Abhijit and Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. Public Affairs, 2011.

#### MODULES

The course will be divided into modules. Each week, students will have assigned readings for each module (usually 3 papers).

Usually, the class will start with a 10-minute quiz testing that the students read the assigned articles and studied the material covered in class the previous week. The class will then comprise a student-led discussion/presentation for roughly 45 minutes, and an open discussion. A more standard lecture will follow.

#### EXPECTATIONS AND REQUIREMENTS

The class grade will be computed as follows:

<b>In-classes quizzes</b>	10%
<b>Short summaries</b>	5%
<b>Presentations</b>	15%
<b>Country project presentation</b>	15%
<b>Country project report</b>	15%
<b>Midterm exam (March 4<sup>th</sup>)</b>	20%
<b>Final exam*</b>	20% (or 40%)

\*Students decide if the final exam will be a second midterm, covering the second part of the course, for 20% of the grade, or a final comprehensive exam worth 40% of the grade and substituting for the first Midterm exam.

In determining the final grade, I will use the standard Bush School grading scale:

<b>A</b> 90 or above	Extraordinary, excellent work and mastery of concept
<b>B</b> 80-89	Good work and solid command of concept
<b>C</b> 70-79	Adequate work and sufficient understanding of concept
<b>D</b> 60-69	Poor work, little understanding of concept
<b>F</b> Less than 60	Lack of work, no understanding of concept

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#### ATTENDANCE POLICY

Attending class and taking notes is essential. I will post the lecture slides on the course webpage in advance; however, the slides will have blanks that students will be able to fill in by taking notes in class. Please do not be more than 5 minute late to class.

#### HOMEWORK ASSIGNMENTS AND IN-CLASS QUIZZES

Students are not required to hand in homework assignments during the semester. However, almost every week (**12 weeks total**), students will be required to read and study two or three academic papers before class. Students will be tested on the required readings and other material discussed in class **through in-class quizzes**. Each quiz will have multiple choice or short-answer questions. Throughout the semester, there will be a total of 12 quizzes, each worth **2 points (2% of final grade)**. I will drop the lowest quiz score. There will be **no make-up quizzes**. Students will receive zero for any quiz they miss beyond one. If a student comes to class while the quiz is in progress, he or she will simply have less time to work on the quiz. If a student comes to class after the quiz is completed, then he or she will have simply missed the quiz. Note that *logging in to class only to take the quiz and leaving immediately after (or staying logged in without being attending the class) is unacceptable and will earn students no credit.*

#### PRESENTATIONS

Twice in the semester, students will be required to present two papers. These will be individual presentations. Each presentation will last 30 minutes and will be followed by 15 minutes of discussion on the papers. The student will be leading the discussion on his/her assigned papers.

#### PARTICIPATION

I expect *active involvement* in class discussions (remember, this class relies heavily on discussion). Attendance and involvement in the discussions will be closely observed.

#### ONE-PAGE PAPER SUMMARIES

Students will have to submit at least one short (one-page) summary of one assigned reading per class, for a maximum of 20 summaries during the semester. Each successfully submitted summary will earn a student 0.25 point (0.25% of the final grade), for a maximum of 5 points (5% of grade). Each summary will be graded as follows:

- 0 point if not submitted;
- 0.1 points if the summary contains incomplete information;
- 0.25 points if the summary contains complete information (according to the pre-specified format to be followed).

#### EXAMS

There will be a midterm exam on **March 4<sup>th</sup>** and a final exam. The exams will cover potentially all materials from lectures, assigned readings, student presentations and class discussions. Make-up exams will be

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scheduled only in extraordinary circumstances (i.e., serious illness and tragedies). Appropriate documentation will be required. If you are not able to take an exam you will have to inform me **BEFORE** the day of the exam.

The midterm exam is worth 20% of your grade (i.e. 20 points) and will be on topics covered in the first part of the semester. The final exam is worth 20% of the grade and covers the second part of the semester. Note that if you are unhappy with your Midterm grade, you have the option to take a comprehensive final exam instead. This would be worth 40% of your grade and would substitute the grade obtained in the midterm exam. Note that if you miss the mid-term exam, no make-up exam will be scheduled. If you miss a midterm because of illness, the weight of the missed midterm will be shifted to the next exam (midterm or final). In each case, documentation will be required.

You must take the final exam at the time scheduled. In accordance with the University guidelines, make-up exams will be provided only if extraordinary circumstances prevent class attendance on the scheduled exam date and alternative arrangement should be made prior to the scheduled exam. To request a make-up exam, the student must first receive written permission from the instructor and then petition the dean of the college of social sciences, giving the reason for the requested exception, and supported by the instructor's written permission. The dean will then notify the instructor in writing if the approval is granted.

### COUNTRY PROJECT

In the second part of the semester students in groups of 2 will prepare a report on a developing country of their choice. The report will have four sections: (1) Country Overview; (2) Measurements and Indicators of Development; (3) Detailed Analysis of one specific development problem; 4) Discussion of a possible development intervention to be implemented in the chosen country.

- **Section 1** will provide a general overview of the chosen country, including population, per capita GDP and other relevant information for the country's development (e.g., former colonial history, civil conflicts, presence of natural resources etc.).
- **Section 2**, will present (in Table and/or Graph form) and discuss important development indicators, such as measures of poverty and inequality studied in class, population growth, education and health indicators. You may focus on 1 year only (the most recent/available statistics or on multiple years, if available).
- **Section 3** will focus on a specific development-relevant issue discussed during the course of the semester, e.g., growth and poverty, fertility policies/interventions, education policies/interventions, health policies/interventions, accountability of services providers (teachers and/or health providers), access to credit and microcredit, foreign aid, corruption and service delivery. If another topic is of interest, students are invited to discuss its suitability for the project beforehand with me. Section 3 will have to provide a literature review on the chosen topic, incorporating the 3 or 4 papers discussed during the semester and at least 5 more relevant papers. Ideally some of the reviewed articles will present research conducted in the country being chosen for the report.

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- The report should conclude with a Section (**Section 4**) discussing a possible intervention to be implemented in the chosen country to address the problem under investigation. Students need to motivate why they hypothesize that the intervention will be effective, and need to explain how they would propose to test the effectiveness of the policy (i.e., provide some details of a hypothetical field experiment).

The objective of this course requirement is to give students practical experience in applying the principles learned in this course to the development experience of a specific developing country.

Important dates:

- The choice of country is due on **March 25<sup>th</sup>**;
- The choice of development topic within a country is due on **April 1<sup>st</sup>**.

Students will present their project to the class on April 29<sup>th</sup>. The final written report will be due by midnight on **May 2<sup>nd</sup>**.

Each student is required to come to office hours two to three times before the day of the scheduled presentation.

#### **HONOR CODE**

“An Aggie does not lie, cheat or steal nor tolerate those who do.” Every student is expected to adhere to this code; violation can result in disciplinary action. More information about Honor Council Rules and Procedures can be found at <http://www.tamu.edu/aggiehonor>.

#### **STUDENTS WITH DISABILITIES**

Texas A&M University is committed to providing equitable access to learning opportunities for all students. If you experience barriers to your education due to a disability or think you may have a disability, please contact Disability Resources in the Student Services Building or at (979) 845-1637 or visit <http://disability.tamu.edu>. Disabilities may include, but are not limited, to attentional, learning, mental health, sensory, physical, or chronic health conditions. All students are encouraged to discuss their disability related needs with Disability Resources and their instructors as soon as possible.

#### **TITLE IX**

Texas A&M University and the College of Liberal Arts are committed to fostering a learning environment that is safe and productive for all. University policies and federal and state laws provide guidance for achieving such an environment. Although class materials are generally considered confidential pursuant to student record policies and laws, University employees — including instructors — cannot maintain

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confidentiality when it conflicts with their responsibility to report certain issues that jeopardize the health and safety of our community. As the instructor, I must report (per Texas A&M System Regulation 08.01.01) the following information to other University offices if you share it with me, even if you do not want the disclosed information to be shared:

Allegations of sexual assault, sexual discrimination, or sexual harassment when they involve TAMU students, faculty, or staff, or third parties visiting campus. These reports may trigger contact from a campus official who will want to talk with you about the incident that you have shared. In many cases, it will be your decision whether or not you wish to speak with that individual. If you would like to talk about these events in a more confidential setting, you are encouraged to make an appointment with the Student Counseling Service (<https://scs.tamu.edu/>).

Students and faculty can report non-emergency behavior that causes them to be concerned at <http://tellsomebody.tamu.edu>.

**PLAGIARISM**

*“An Aggie does not lie, cheat, or steal, or tolerate those who do.”*

Upon accepting admission to Texas A&M University, a student immediately assumes a commitment to uphold the Honor Code, to accept responsibility for learning, and to follow the philosophy and rules of the Honor System.

As commonly defined, academic dishonesty/plagiarism consists of presenting as one’s own ideas, the words, writings, etc. that belong to another. In accordance with this definition, you are committing plagiarism if you copy the work of another person and submit it in as your own, even if you have the permission of the person. It does not matter from where the material is borrowed – a book, article, material from the internet, or the paper of another student in the class – all constitute plagiarism unless the source of the work is fully identified and credited. It is important when using a phrase, a distinctive idea or concept as well as a sentence or longer excerpt to credit the source in the text, a footnote or end note. Plagiarism is a violation of academic and personal integrity at Texas A&M University and carries severe consequences. (See Student Rules on Academic Dishonesty.)

**SYLLABUS CHANGE POLICY**

Except for changes that substantially affect the implementation of the evaluation (grading) statement, this syllabus is a guide for the course and is subject to change with advance notice.

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**COURSE OUTLINE**

This is a general list of topics and readings we will cover, listed in approximate order. As the semester progresses, we may skip some and/or add others as I see fit. Mostly, I will aim to provide you with the basic foundations in the field while aiming to keep everyone interested.

*Required book chapters and academic articles will be posted on the course website one week in advance.*

**1) Introduction**

- Textbook: Ch.1;

**2) Poverty, Human Development and Inequality**

- Textbook: Ch. 2;
- Textbook: Ch. 6, pp. 165 - 197.
- Sen (2000). Development as Freedom. Chapter 1.
- Banerjee, A.V. and Duflo, E., 2007. The economic lives of the poor. *Journal of economic perspectives*, 21(1), pp.141-168.

**3) Economic Growth and Poverty**

- Textbook: Ch. 3 and Ch. 6, pp. 198 - 206.
- Kraay, A., 2006. When is growth pro-poor? Evidence from a panel of countries. *Journal of development economics*, 80(1), pp.198-227.
- “Growth, Inequality, and Poverty”, Chapter 3, World Development Report (2000)

**4) Education and Child Labor**

- Textbook: Ch.8;
- Duflo, E., 2001. Schooling and labor market consequences of school construction in Indonesia: Evidence from an unusual policy experiment. *American economic review*, 91(4), pp.795-813.
- Chaudhury, N., Hammer, J., Kremer, M., Muralidharan, K. and Rogers, F.H., 2006. Missing in action: teacher and health worker absence in developing countries. *Journal of Economic perspectives*, 20(1), pp.91-116.
- Basu, K., 1999. Child labor: cause, consequence, and cure, with remarks on international labor standards. *Journal of Economic literature*, 37(3), pp.1083-1119. \
- Duflo, E. and Hanna, R., 2005. *Monitoring works: Getting teachers to come to school* (No. w11880). National Bureau of Economic Research.
- Duflo, E., Dupas, P. and Kremer, M., 2015. School governance, teacher incentives, and pupil–teacher ratios: Experimental evidence from Kenyan primary schools. *Journal of public Economics*, 123, pp.92-110.

See also JPAL Summary of education interventions and case studies:

<https://www.povertyactionlab.org/sites/default/files/publications/roll-call-getting-children-into-school.pdf>

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**5) Population and Fertility**

- Textbook: Ch. 7;
- Drèze, J. and Murthi, M., 2001. Fertility, education, and development: evidence from India. *Population and development Review*, 27(1), pp.33-63.
- Ainsworth, M., Beegle, K. and Nyamete, A., 1996. The impact of women's schooling on fertility and contraceptive use: A study of fourteen sub-Saharan African countries. *The World Bank Economic Review*, 10(1), pp.85-122.
- Duflo, E., Dupas, P. and Kremer, M., 2010. Education and fertility: Experimental evidence from Kenya. *Unpublished Manuscript, J-PAL/MIT. Cambridge, MA.*
- Jayachandran, S. and Kuziemko, I., 2011. Why do mothers breastfeed girls less than boys? Evidence and implications for child health in India. *The Quarterly journal of economics*, 126(3), pp.1485-1538.

**6) Health**

- Cohen, J. and Dupas, P., 2010. Free distribution or cost-sharing? Evidence from a randomized malaria prevention experiment. *Quarterly journal of Economics*, 125(1), p.1.
- Banerjee, A.V., Duflo, E. and Glennerster, R., 2008. Putting a band-aid on a corpse: incentives for nurses in the Indian public health care system. *Journal of the European Economic Association*, 6(2-3), pp.487-500.
- Baranov, V., Bhalotra, S.R., Biroli, P. and Maselko, J., 2017. Maternal depression, women's empowerment, and parental investment: evidence from a large randomized control trial.
- Gertler, P., 2004. Do conditional cash transfers improve child health? Evidence from PROGRESA's control randomized experiment. *American economic review*, 94(2), pp.336-341.

**7) Credit Market Failures, ROSCAs and Microcredit**

- Karlan, D.S., 2007. Social connections and group banking. *The Economic Journal*, 117(517), pp.F52-F84.
- Kimuyu, P.K., 1999. Rotating saving and credit associations in rural East Africa. *World development*, 27(7), pp.1299-1308.
- Banerjee, A., Duflo, E., Glennerster, R. and Kinnan, C., 2015. The miracle of microfinance? Evidence from a randomized evaluation. *American Economic Journal: Applied Economics*, 7(1), pp.22-53.

**8) Foreign aid**

- Textbook: Ch. 3, pp. 74 – 88;
- Burnside, C. and Dollar, D., 2000. Aid, policies, and growth. *American economic review*, 90(4), pp.847-868.
- Svensson, J., 2003. Why conditional aid does not work and what can be done about it?. *Journal of development economics*, 70(2), pp.381-402.
- Andersen, J.J., Johannesen, N. and Rijkers, B., 2020. *Elite Capture of Foreign Aid: Evidence from Offshore Bank Accounts*. The World Bank.

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- McIntosh, C. and Zeitlin, A., 2018. Benchmarking a child nutrition program against cash: experimental evidence from Rwanda. *San Diego: University of California*.
- Haushofer, J. and Shapiro, J., 2016. The short-term impact of unconditional cash transfers to the poor: experimental evidence from Kenya. *The Quarterly Journal of Economics*, 131(4), pp.1973-2042.

**9) Corruption**

- Fisman, R. and Svensson, J., 2007. Are corruption and taxation really harmful to growth? Firm level evidence. *Journal of development economics*, 83(1), pp.63-75.
- Bertrand, M., Djankov, S., Hanna, R. and Mullainathan, S., 2007. Obtaining a driver's license in India: an experimental approach to studying corruption. *The Quarterly Journal of Economics*, 122(4), pp.1639-1676.
- Olken, B.A., 2007. Monitoring corruption: evidence from a field experiment in Indonesia. *Journal of political Economy*, 115(2), pp.200-249.
- Reinikka, R. and Svensson, J., 2005. Fighting corruption to improve schooling: Evidence from a newspaper campaign in Uganda. *Journal of the European economic association*, 3(2-3), pp.259-267.
- Olken, B.A., 2006. Corruption and the costs of redistribution: Micro evidence from Indonesia. *Journal of public economics*, 90(4-5), pp.853-870.
- Fisman, R. and Miguel, E., 2007. Corruption, norms, and legal enforcement: Evidence from diplomatic parking tickets. *Journal of Political economy*, 115(6), pp.1020-1048.

**10) Behavioral Development Economics**

**A. Affect and cognitive ability**

- Haushofer, J. and Shapiro, J., 2016. The short-term impact of unconditional cash transfers to the poor: experimental evidence from Kenya. *The Quarterly Journal of Economics*, 131(4), pp.1973-2042.
- Mani, A., Mullainathan, S., Shafir, E. and Zhao, J., 2013. Poverty impedes cognitive function. *science*, 341(6149), pp.976-980.

**B. Time Inconsistency, Limited Attention and Mental Accounting**

- Ashraf N., 2013. "How behavioral economics is promoting better health around the world"
- Hanna, R., Mullainathan, S. and Schwartzstein, J., 2014. Learning through noticing: Theory and evidence from a field experiment. *The Quarterly Journal of Economics*, 129(3), pp.1311-1353.

**C. Social norms, gender attitudes and culture**

- Dhar, D., Jain, T. and Jayachandran, S., 2018. *Reshaping adolescents' gender attitudes: Evidence from a school-based experiment in India* (No. w25331). National Bureau of Economic Research."

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- Bursztyn, L., González, A.L. and Yanagizawa-Drott, D., 2018. *Misperceived social norms: Female labor force participation in Saudi Arabia* (No. w24736). National Bureau of Economic Research.
- Karing (2018) “Social Signaling and Childhood Immunization: A Field Experiment in Sierra Leone”
- Ashraf, N., Bandiera, O. and Jack, B.K., 2014. No margin, no mission? A field experiment on incentives for public service delivery. *Journal of public economics*, 120, pp.1-17.

**D. Aspirations and Role Models**

- Riley, E., 2017. *Role models in movies: the impact of Queen of Katwe on students' educational attainment* (No. 2017-13). Centre for the Study of African Economies, University of Oxford.
- Kipchumba et al (2020) “Influencing youths' aspirations and gender attitudes through role models: Evidence from Somali schools”