Dalhousie University
Faculty of Science/Department of Economics
ECON 5000, 3 Credit Hours
Fall 2018

Development Microeconomics

Instructor Information

Instructor: Professor Daniel Rosenblum
Office: C22, 6220 University Ave (Economics Department)
Office Hours: M 11:30-12:30 or by appointment
Class Time: M/W 10:05-11:25
Class Location: McCain 2021
Class Format: Lecture/Discussion
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Course Description

This course is one of the core courses of the Master of Development Economics (MDE) degree. This course introduces students to microeconomic models particularly relevant to understanding economics in a developing country context. These models help us to understand some of the difficulties for firms in a developing country and the challenges for individuals and households to emerge from poverty, as well as solutions. Topics may include: theories of the household and fertility, labor market models in a developing country context, the environment and development, land markets, credit markets, human capital, technology, and political economy models.

Note: Classes will **not** be recorded and students are not permitted to record lectures, discussion, or student presentations without the permission of the instructor.

Course Pre-requisites, Co-requisites and/or other Restrictions
None.

Learning Objectives/Outcomes

Understand, analyze, and evaluate a range of microeconomic models of development through readings, lectures, and assignments.

Apply microeconomic theory by designing your own economic model

Textbook

The required textbook is Bardhan, P., & Udry, C. (1999). *Development microeconomics*. OUP Oxford. (available at the library). I also recommend *Optimization in Economic Theory* by A.K. Dixit as a general reference for tools in micro theory.

Learning Management System
The course will use Brightspace (accessible through my.dal.ca) to post grades, assignments, additional readings, links to readings, and links to topics of interest that may arise over the semester. Student may be asked to upload papers to Brightspace so that they can be checked for plagiarism using Urkund.

Course Assessment
The evaluation for the course will involve the following components.
Class Participation: 10%
Assignments: 40% (4 total assignments, each worth 10%)
Paper: 40% (Divided into 3 stages. The first two stages are each worth 10%, and the third stage is worth 20%)
Presentation of Paper: 10%

Conversion of numerical grades to Final Letter Grades follows the <u>Dalhousie Common Grade Scale</u>

A+ (90-100)	**B+** (77-79)	**C+** (65-69)	**D**	(50-54)
A (85-89)	**B** (73-76)	**C** (60-64)	**F**	(<50)
A- (80-84)	**B-** (70-72)	**C-** (55-59)		

<u>Class Participation:</u>
You are expected to attend every class and contribute to class discussion. You will be evaluated based on the Class Participation Grading Rubric. In addition**, students are not allowed to use phones, tablets, or computers during class** without the permission of the professor. Use of such devices will reduce your participation grade.

<u>Assignments:</u>
There will be 4 mathematical micro theory assignments over the semester, each due approximately every two weeks.

<u>Paper:</u>
You must write a paper in which you describe your own economic model of individual, household, firm, or government behavior to help explain a topic of interest in economic development. The paper is completed in three stages over the semester so that students receive timely feedback to revise their paper. **Stage 1** is the paper topic (2-3 pages), where students explain their economic topic of interest, its importance, and provide a brief overview of current relevant microeconomic models with a reference list. If relevant, you can include how the topic relates to empirical research as well (e.g. is it trying to help solve a debate/puzzle that has been found empirically?). **Stage 2** is a draft microeconomic model of the economic topic of interest. This may be an extension of an existing model or a completely new model. **Stage 3** is the final

paper (8-10 pages) explaining the topic, the existing theoretical work, the proposed new model, and its implications/predictions. The three stages of the paper will be graded based on the Paper Grading Rubric.

Presentation:
During the last week of classes, students will give a 15-20 minute presentation of their paper. The presentation should explain the topic, its importance, and how it relates to other microeconomic models or other economic literature, the model, and its implications/predictions. Feedback from the presentations are intended to improve the Final Paper. Presentations will be graded based on the Oral Presentation Grading Rubric.

Policy on Missed or Late Academic Requirements due to Student Absence:

Unless an extension is approved ahead of time or there is an emergency, late work will be given a grade of zero. Medical notes are **NOT** required for absences and will not be accepted. You also do not need to submit a Student Declaration of Absence form. If the professor is e-mailed before a class in which you will be absent with a valid reason, class participation grades will not be negatively affected by the absence.

You are allowed to work on the assignments in groups of **up to three** people including yourself. However, you must submit your own individual assignment. Make sure to list the group members you worked with on the assignment.

Topics/Schedule: (The schedule of topics below is approximate. Depending on the speed with which each topic is covered, some topics may be cancelled, or new topics may be added.)

Week 1:
September 5: Introduction

Week 2:
September 10, 12: Micro-theory tools

Week 3:
September 17, 19: Chapter 2: Theory of the household and intra-household bargaining. Unitary vs collective household models.

Week 4: (Assignment #1 Due by 4:30PM, Friday Sept 28)
September 24, 26: Chapter 3: Models of fertility and the demographic transition.

Week 5: (Paper Stage #1 Due by 4:30PM, Friday Oct 5)
October 1, 3: Chapter 4: Labor market models

Week 6: (Assignment #2 Due by 4:30PM, Friday Oct 12) (No classes held on Oct 8th, Thanksgiving)
October 10: Chapter 6: Rural land markets

Week 7:
October 15, 17: Chapter 7: Credit markets

Week 8: (Assignment #3 Due by 4:30PM, Friday Oct 26)
October 22, 24: Chapter 8: Risk and insurance

Week 9:
October 29, 31: Chapter 11: Efficiency/Equity Tradeoffs in Poverty Alleviation

Week 10: (Paper Stage #2 Due by 4:30PM, Friday Nov 9)
November 5, 7: Chapter 12: Technological Adoption and Learning

No classes November 12, 14 (Fall Study Break)

Week 11:
November 19, 21: Game Theory Part 1: Chapter 13 (Environment and Development), also Models of cooperation, coordination failure, conflict, microcredit, corruption, etc.

Week 12: (Assignment #4 Due by 4:30PM, Friday Nov 30)
November 26, 28: Game Theory Part 2

Week 13 (Reminder, classes on Tuesday, Dec 4 are treated as Monday classes):
December 3, 4 Presentation of Papers

Final Paper Due by 4:30PM, December 7th.

UNIVERSITY POLICIES, STATEMENTS, GUIDELINES and RESOURCES for SUPPORT
This course is governed by the academic rules and regulations set forth in the University Calendar and the Senate. University policies as well as links to academic support services are posted to Brightspace.

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Expectations for Class Participation

Participation is graded on a scale from 0 (lowest) through 100 (highest), using the criteria below. The criteria focus on what you demonstrate and do not presume to guess at what you know but do not demonstrate. This is because what you offer to the class is what you and others learn from. I expect the average level of participation to satisfy the criteria for the 70-79 range, i.e. a "B".

Grade	Criteria
0	Absent
50-54	Present, not disruptive. Tries to respond when called on but does not offer much. Demonstrates very infrequent involvement in discussion.
55-69	Demonstrates adequate preparation: knows basic facts, but does not show evidence of trying to interpret or analyze them. Offers straightforward information (e.g., straight from the reading), without elaboration or very infrequently (perhaps once a class). Does not offer to contribute to discussion, but contributes to a moderate degree when called on. Demonstrates sporadic involvement.
70-79	Demonstrates good preparation: knows material well, has thought through implications of them. Offers interpretations and analysis of course material (more than just facts) to class. Contributes well to discussion in an ongoing way: responds to other students' points, thinks through own points, questions others in a constructive way, offers and supports suggestions that may be counter to the majority opinion. Demonstrates consistent ongoing involvement.
80-100	Demonstrates excellent preparation: has analyzed material exceptionally well Offers analysis, synthesis, and evaluation of material, e.g., puts together pieces of the discussion to develop new approaches that take the class further. Contributes in a very significant way to ongoing discussion: keeps analysis focused, responds very thoughtfully to other students' comments, contributes to the cooperative argument-building, suggests alternative ways of approaching material and helps class analyze which approaches are appropriate, etc. Demonstrates ongoing very active involvement.

From Maznevski (1996) "Grading Class Participation*", Newsletter of the Teaching Resource Center for Faculty and Teaching Assistants*, University of Virginia

Presentation Grading Rubric

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Note: each part has equal weight in determining the presentation grade.

	Content	Organization	Delivery
80-100	Clearly explained content of their paper: Included (1) clear explanation of the topic, (2) the existing theoretical work, (3) the proposed new model, and (4) its implications/predictions.	Effective beginning. Emphasizes main points within the context of the presentation. Well organized. Appropriate balance.	Speaks with confidence and authority throughout. Maintains eye contact throughout presentation. Very good pace, volume and articulation. Technology used well. Concludes with confidence.
70-79	Explained content adequately. However, one of (1) - (4) above was not clearly explained.	Emphasizes main points. Discernible pattern of organization. Appropriate balance on main points.	Ready to begin with confidence. Establishes eye contact at high points. Speech is not read or memorized. Appropriate volume, pace and articulation. Appropriate use of technology.
55-69	Some explanation of the topic and model. Did not connect to relevant literature or	Specific statement of the main hypothesis. Evidence of a beginning, middle, and conclusion.	Steps up with confidence/ ready to begin. Establishes eye contact at times. Few distracting mannerisms. Pace is too fast.
50-54	Minimal explanation of (1)-(4). Did not present the main idea of the paper.	Attempt at explaining main hypothesis and provides a conclusion.	Is ready to speak. Material is delivered to audience without eye contact and/or clear articulation.

Paper Grading Rubric for ECON 5000: Development Microeconomics.			
Grade	**Logic/Organization**	**Analysis**	**Writing Style**
80-100	Logical flow Clear progression of ideas building on a central theme Clear transitions between paragraphs and ideas Effective use of transition statements and linking sentences . Intro states purpose, is explicit and grabs attention Intro clearly states what the paper is about Conclusion summarizes/ integrates/discusses implications	Original, well-explained model Critically analyze relevant literature in relation to the model Integrated analysis into argument Original ideas Mathematics are correct	Few spelling/grammar mistakes Consistent in tense and person Typed, professional appearance Acknowledged all sources, including consistent citation style.
70-79	Logical flow General progression that builds on a central theme Some transitions between paragraphs and ideas Under- use of transition statements and linking sentences . Intro states purpose and grabs attention Intro states what the essay is about Conclusion summarizes/ integrates/discusses implications but lack clarity	Some analysis of relevant literature Presented analysis, but did not integrate it fully into argument Model is not entirely clear, but argument can be followed Opened the door, but failed to drive the point home Proposed model does not fully match the problem Some mathematical mistakes	Spelling/grammar mistakes begin to interfere with reading flow Minor changes in tense and person Some inconsistency in the typed format Acknowledged all sources, citation style inconsistent.
55-69	Logical flow is not always evident Lacks progression but expresses ideas that support and argument 1 or 2 tangents (i.e. not stated in the intro) Under- use of transition statements and linking sentences . Intro states a purpose, but it is not clear Conclusion summarizes or repeats intro, but fails to integrates/discusses implications	Analysis lacking or off track Overlooked critical information in analysis Have to work to follow argument Generally lacked original thinking Model only tangentially related to topic. Many mathematical mistakes.	Many spelling/grammar mistakes Inconsistent tense and person Typed, but not professional in appearance Acknowledged all sources, citation style inconsistent, incorrectly cites some sources .
55-69	Lacks logical flow Lacks progression of ideas Frequent tangents that distract from main ideas Generally lacks transition statements and linking sentences. Intro does not indicate a purpose, seems irrelevant Conclusion does not reflect the paper, is too brief	Overlooked critical information Faulty analysis Can't follow argument No original use of information Model is there, but not understandable	Frequent spelling/grammar mistakes Inconsistent tense and person Handwritten Acknowledged all sources, incorrectly cites most sources .
<50	Ideas are scattered, disjointed Lacks logical flow/ No obvious progression of ideas Lacks clear transitions Lacks a clear introduction. Conclusion is very brief or missing	No critical analysis Lacks thesis statement No apparent line of argument No discernable model	Spelling/grammar mistakes throughout Inconsistent tense and person Handwritten Plagiarism, does not acknowledge one or more sources.