

ECON 5254: Applied Development Economics
Winter 2024 Course Syllabus

Dalhousie University is located in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq. We are all Treaty people.

We acknowledge the histories, contributions, and legacies of the African Nova Scotian people and communities who have been here for over 400 years.

Mondays and Wednesdays 13:05-14:25, Studley MCCAIN ARTS&SS 2116

Instructor: Prof. Mevlude Akbulut-Yuksel, Dalhousie University, Department of Economics

Office: 6220 University Avenue, second floor (B21)

E-mail: mevlude@dal.ca

Lectures: Mondays and Wednesdays 13:05-14:25, Studley MCCAIN ARTS&SS 2116

Office hours: Wednesdays 9:30-11:20. Meetings at other times should be arranged in advance via e-mail and will take place in Zoom or in-person.

Course Description: This course is one of the required courses of the Master of Development Economics (MDE) degree. The aim of this course is to provide an overview of the current literature on the microeconomic foundations of development as well as topics pertaining to the current policy debate in development economics. Topics covered include the role of human capital (health, education), the functioning of factor markets, immigration, trade, climate change, social welfare programs, artificial intelligence, economics of conflict and female empowerment. On the methodological side, we will examine econometric techniques that researchers have used to identify causal relationships (ordinary least square, panel data, instrumental variables, randomized experiments, difference-in-differences, regression discontinuity design). Students will be required to write several policy reports that integrates knowledge from the economics and non-economics courses that they have taken.

Learning Outcomes:

- Students will attain, through lectures, readings, writing policy reports, the knowledge of the microeconomic foundations of development economics.
- Students will be able to critically assess and analyze the scholarly articles and books through bi-weekly quizzes.
- Students will be able to estimate econometric techniques that are used to identify causal relationships and evaluate their empirical analysis assignments.
- Students will produce policy reports and engage in in-class debates tackling the pressing issues in development through synthesizing the causal estimation techniques, data from developing countries and economic reasoning.

Requirements and Grading:

1. Midterm: 25% (in class on Wednesday, February 28, 2024)
2. Final: 30% (9:30-12:30 on Thursday, April 11, 2024)
3. 5 Bi-weekly Quizzes: 15% (dates will be announced during the term)

4. 3 Assignments: 15% (January 24 (Assignment #1), February 14 (Assignment #2), March 13 (Assignment #3))
5. In-class Debate and Individual Policy Paper: 15% (the last two weeks of the semester)

Class Procedure: Few. Please show up on time. Please leave your phones and pagers and other electronic items OFF. At this level of graduate study, we are trying to engage in a discussion about current research, and we are trying to avoid me simply lecturing. As part of this, you must read the required material **before** class. Come with questions or ideas that came out of the readings.

Midterm and Final: Exams will draw from lectures and papers covered in the class. They are NOT open book. **The final exam will cover the subject matter of the entire course.** The midterm will take place during the class time as indicated above. If you miss the midterm or the final exam for a valid medical reason, you must notify me immediately and make arrangements to write-up exam as soon as health permits.

Bi-Weekly Quizzes: Every 10 days, you will have in-class quiz discussing one or two chapters of the “Good Economics for Hard Times” book by Banerjee and Duflo. In preparation of these quizzes, you are expected to read the assigned chapters before the quiz.

Assignments: There will be three applied assignments, which will make up 15% of your grade. They will consist of several parts: you would have to carefully read an assigned paper, and then replicate its results in Stata or if you prefer in R Studio. It is nearly impossible to complete a homework assignment in one day, so I strongly recommend starting early. Homework assignments received after the due date will receive a grade equal to zero. Each student must write up his/her own problem set and submit their own codes and programs.

In-class Debates and Policy Report: Over the last two weeks of the semester, there will be in-class debates on several highly debated issues on development economics. The classroom debates are exercises designed to allow you to strengthen your skills in the areas of leadership, interpersonal influence, teambuilding, group problem solving, and oral presentation, as well as a way to learn about important topics in development economics. All of you will be assigned to groups of 3-4 students and to a topic and side. All group members are expected to participate in the research, development, and presentation of your debate position. As part of this course component, each student will be expected to write a policy report detailing their discussion. The policy report portion of the debate is due on Monday, March 25th before the start of the debates. **Late submissions will receive zero.** Each policy report should be submitted individually. You are expected to submit your policy report through Turnitin in the Brightspace.

Grading: Grades will be determined according to the following scale:

A+	A	A-	B+	B	B-	F
90+	85-89	80-84	77-79	73-76	70-72	<70

Textbooks:

- Angrist, Joshua D. and Jorn-Steffen Pischke. 2015. *Mastering Metrics*. Princeton and Oxford: Princeton University Press **(Required)**

- Banerjee, Abhijit and Esther Duflo. 2019. *Good Economics for Hard Times*. Public Affairs **(Required)**.
- Banerjee, Abhijit and Esther Duflo. 2011. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. Public Affairs **(Recommended)**.
- Cunningham, Scott. 2021. *The Mixtape: Causal Inference*. Yale University Press **(Recommended)**
(<https://mixtape.scunning.com/index.html>)
- Huntington-Klein, Nick. 2022. *The Effect: An Introduction to Research Design and Causality* **(Recommended)**
- Angrist, Joshua D. and Jorn-Steffen Pischke. 2009. *Mostly Harmless Econometrics: An Empiricist's Companion*, Princeton and Oxford: Princeton University Press. **(Recommended)**

COURSE OUTLINE *(subject to change):*

I. Introduction to Economic Development

Banerjee, A. and E. Duflo. 2019. *Good Economics for Hard Times*, Introduction.

Banerjee, A. and E. Duflo. 2011. *Poor Economics: A Radical Rethinking of the Way to fight Global Poverty*. Foreword, Chapter 1 and Chapter 2.

Angrist, Joshua D. and Jorn-Steffen Pischke. 2015. *Mastering Metrics*. Introduction, and Chapter 1.

Angrist, Joshua D. and Jorn-Steffen Pischke. 2015. *Mastering Metrics*. Chapter 2.

Angrist, Joshua D. and Jorn-Steffen Pischke. 2015. *Mastering Metrics*. Chapter 3.

II. Climate Change, Artificial Intelligence and Social Welfare Programs

Angrist, Joshua D. and Jorn-Steffen Pischke. 2015. *Mastering Metrics*. Chapter 4.

Angrist, Joshua D. and Jorn-Steffen Pischke. 2015. *Mastering Metrics*. Chapters 5 and 6.

Banerjee, A. and E. Duflo. 2019. *Good Economics for Hard Times*, The End of Growth, Chapter 5.

Banerjee, A. and E. Duflo. 2019. *Good Economics for Hard Times*, In Hot Water, Chapter 6.

Banerjee, A. and E. Duflo. 2019. *Good Economics for Hard Times*, Player Piano, Chapter 7.

Banerjee, A. and E. Duflo. 2019. Good Economics for Hard Times, Cash and Care, Chapter 9.

Banerjee, A. and E. Duflo. 2019. Good Economics for Hard Times, Legit.gov, Chapter 8.

III. Health, Nutrition and Education in Developing World

Banerjee, A. and E. Duflo. 2011. Poor Economics: A Radical Rethinking of the Way to fight Global Poverty. Chapter 3 and Chapter 4.

Akbulut-Yuksel, Mevlude. 2017. “War during Childhood: The Long Run Effects of Warfare on Health.” *Journal of Health Economics*, 53: 117–130.

Miguel, Edward and Michael Kremer. 2004. “Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities.” *Econometrica*, 72(1): 159-217.

Baird, Sarah, Joan Hamory Hicks, Michael Kremer, and Eduard Miguel. 2016. “Worms at Work: Long-Run Impacts of a Child Health Investment,” *Quarterly Journal of Economics*, 4(1): 1637-1680.

Jayachandran, Seema and Adriana Lleras-Muney. 2009. “Life Expectancy and Human Capital Investments: Evidence from Maternal Mortality Declines.” *Quarterly Journal of Economics*, 124(1): 349-397.

Dupas, Pascaline. 2014. “Short-Run Subsidies and Long-Run Adoption of New Health Products: Evidence from a Field Experiment.” *Econometrica*, 82(1): 197-228.

Akbulut-Yuksel, Mevlude and Belgi Turan. 2013. “Left Behind: Intergenerational Transmission of Human Capital in the Midst of HIV.” *Journal of Population Economics*, 26(4): 1523-1547.

Duflo, Esther. 2001. “Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment.” *American Economic Review*, 91: 795-813.

Chaudhury, Nazmul, Jeffrey Hammer, Michael Kremer, Karthik Muralidharan and F. Halsey Rogers. 2006. “Missing in Action: Teacher and Health Worker Absence in Developing Countries.” *Journal of Economic Perspectives*, 20(1): 91–116.

Duflo, Esther, Pascaline Dupas, and Michael Kremer. “Peer Effects, Teacher Incentives, and the Impact of Tracking: Evidence from a Randomized Evaluation in Kenya.” *The American Economic Review*, 101.5 (2011): 1739-1774.

Dizon-Ross, Rebecca. 2019. “Parents' Beliefs about Their Children’s Academic Ability: Implications for Educational Investments.” *American Economic Review*, 109 (8): 2728-65.

IV. Gender and Family in Developing World

Banerjee, A. and E. Duflo. 2011. *Poor Economics: A Radical Rethinking of the Way to fight Global Poverty*. Chapter 5.

Sen, Amartya. 1990. "More than 100 Women are missing." *New York Review of Books*.

Qian, Nancy. 2008. "Missing Women and the Price of Tea in China: The Effect of Sex-specific Income on Sex Imbalance." *Quarterly Journal of Economics*, 123(3): 1251-1285.

Akbulut-Yuksel, Mevlude and Daniel Rosenblum. 2023. "Estimating the Effects of Expanding Ultrasound Use on Sex Selection in India." *Journal of Development Studies*, 59(4): 1-17.

Chattopadhyay, Raghavendra and Esther Duflo. 2004. "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India." *Econometrica*, 72(5): 1409-1443.

Duflo, Esther. 2003. "Grandmothers and Granddaughters: Old Age Pension on Child and Intra-Household Allocation in South Africa." *World Bank Economic Review*, 17: 1-25.

V. Economics of Conflict

Blattman, Christopher and Edward Miguel. 2010. "Civil War." *Journal of Economic Literature*, 48(1): 3–57.

Nunn, Nathan and Nancy Qian. 2014. "U.S. Food Aid and Civil Conflict." *American Economic Review*, 104(6): 1630-1666.

Miguel, Edward, Shankar Satyanath, and Ernest Sergenti. 2004. "Economic Shocks and Civil Conflict: An Instrumental Variables Approach." *Journal of Political Economy*, 112(4): 725-753.

Akbulut-Yuksel, Mevlude. 2014. "Children of War: The Long-Run Effects of Large-Scale Physical Destruction and Warfare on Children." *Journal of Human Resources*, 49(3): 634-662.

Akbulut-Yuksel, Mevlude and Mutlu Yuksel. 2015. "The Long-Term Direct and External Effects of Jewish Expulsions in Nazi Germany." *American Economic Journal: Economic Policy*, 7(3): 58-85.

Akbulut-Yuksel, Mevlude, Melanie Khamis and Mutlu Yuksel. 2017. "Women Make Houses, Women Make Homes." *Labour Economics*, 49: 145-161.