

**University of California, San Diego**  
**Econ 116: Economic Development**  
**Fall 2010**

Class time: Monday 6:00 – 8:50pm, Center Hall 101

Instructor: Prof. Prashant Bharadwaj

E-mail: [pjags1@gmail.com](mailto:pjags1@gmail.com)

Office hours: Tue 1:15-3:15pm, ECON 318

**Course description:** This course is intended to provide an introduction to the problems of economic development in the Less Developed Countries (LDCs) and their interaction with developed economies. There is no text for this course. All readings will be posted on WebCT.

**Lectures and Problem Sets:** You are responsible for all the material and announcements in the lectures. If you miss one, borrow someone's notes. There will be four problem sets. Problem sets will be graded based on completion; answers will be available from WebCT around a week after they are assigned. The problem sets will serve as practice for the midterms and final and will be most helpful if you attempt to solve them before looking at the answers.

**Grading:** Your grade will be determined on the basis of problem set completion (10%), one midterm exam (40%) and a final exam (50%). The midterm will cover material based on the first two problem sets, and the final will be cumulative but put more weight on the materials covered by the third and fourth problem sets. No makeup exams will be given. The exam dates and materials covered in them are:

Exam	Date	Venue
Midterm 1(Wk 1-4)	Monday, October 25	In Class (70 minutes)
Final (Cumulative)	Monday, December 6	7-10pm, location TBA

**Review Sessions and TAs:** Please check WebCT for list of TA's for this course. They will be in charge of grading, office hours and review sessions before the midterm and final. The TA's are here to help you learn and attending their office hours is one of the best ways to reinforce the materials that you may be seeing for the first time in class.

TA Office hours:

Anh: Wednesdays 3-4pm, ECON 127

Sarada/Hee-Seung: Thursdays 9-10am SH 231

**Website - WebCT:** Please check the course tab on WebCT regularly. WebCT will have, the problem sets and their answers, the slides for each class, and all other relevant information about the class. WebCT will also have any additional readings that are not on the list below that will be designated as required, recommended, or optional. You will be responsible for all additional readings that are designated as "required".

## COURSE OUTLINE

The pages listed below from the text marked with an asterisk (\*) are required; unmarked pages or readings are recommended. **Additional readings will be mentioned in class and posted on the class web page – please be sure to check WebCT regularly.** All reading material can be found under appropriately titled folders on WebCT. The topics are listed by week. Each week's lecture will be divided into 2 parts, A and B.

### I. Introduction & Measuring development

#### A. Introduction

#### B. Measuring development:

Beyond Economic Growth: Pg 7-16\*, 23-32\*

Easterly, William. 2007. "Was Development Assistance a Mistake?" *American Economic Review* 97 (May): pp. 328-332.

*Problem set 1 posted*

### II. Theories of Economic Growth:

#### A. Harrod-Domar Model

"The Elusive Quest for Growth" William Easterly - Chapters 1 & 2\*

"Economic Growth" Paul Romer\*

#### B. The Solow Growth Model

"The Elusive Quest for Growth", William Easterly – Chapter 3

"Notes on the Solow Model", Clinton\*

*Problem Set 1 Solutions posted*

### III. Historical Perspective & Population:

#### A. Geography & Institutions, Colonization & Slavery

"13,000 Years of Development" Jared Diamond\*

"Institutions matter, but not for everything" Jeff Sachs

"Reversal of Fortune: Geography and Institutions in the Making of Modern World

Income Distribution" Daron Acemoglu, Simon Johnson & James Robinson\*

#### B. Population – Demographic Transition, Gender Bias

"The Baby Bonanza", *The Economist*\*

"More and 100 Million Women are Missing", Amartya Sen, *New York Review of Books*, 1990\*

*Problem set 2 posted*

### IV. Human Resources 1: Health

#### A. Health Policy:

"A Spoonful of Ingenuity" *The Economist*, Jan 7<sup>th</sup> 2010\*

#### B. AIDS and Malaria

"Do Teenagers Respond to HIV Risk Information?" Pascaline Dupas\*

"Child Health and Education in Developing Countries" Paul Glewwe and Ted Miguel  
pages 3582-3604\*

*Problem Set 2 solutions posted*

V. Development and the Environment

- A. “Ecological Footprint of Poverty Allevation” Craig McIntosh et al \*
- “The Rise and Fall of the Kuznets Curve” David Stern

**MIDTERM**

VI. Human Resources 2: Education:

- “Addressing Absence” A. Banerjee and E. Duflo *Journal of Economic Perspectives*, 2006\*
- “Monitoring Works: Getting Teachers to Come to School” E. Duflo & R. Hanna\*
- “Public and Private Schools in Rural India” Michael Kremer & Karthik Muralidharan

*Problem set 3 posted*

VII. Investment and Finance

- Burgess, Robin and Pande, Rohini. 2005. “Do Rural Banks Matter? Evidence from the Indian Banking Experiment.” *American Economic Review* 95 (June): pp. 780-782, 789, 791-793.\*
- “The Miracle of Microfinance? Evidence from a Randomized Evaluation” Banerjee et al 2010.\*
- Karlan and Zinman “Expanding Credit Access: Using Randomized Supply Decisions to Estimate the Impacts”

*Problem set 3 solutions posted*

VIII. Agriculture & Migration

- A. Agriculture:
  - Besley, Timothy and Burgess, Robin. 2000. “Land Reform, Poverty Reduction, and Growth: Evidence from India.” *Quarterly Journal of Economics* 115: 389-430.
- B. Rural-Urban Migration:

*Problem set 4 posted*

IX. Trade and Technology

- A. Trade – *Readings will be announced a few weeks in advance for this topic*
- B. Technology
  - “Telecoms in Emerging Markets” *The Economist*, September 24, 2009\*
  - “Mobile Money: The Economics of M-PESA” W. Jack & T. Suri

*Problem set 4 solutions posted*

X. Loose ends, and final review

**FINAL EXAMINATION**