

# ECON752: Development Economics

Tomoki Fujii\*

Term 2, AY 2023-24

## 1 Purpose of the course

This course provides an introduction to selected topics in development economics at PhD level. I aim to cover important analytical tools and empirical results so that students can understand the current development economics literature after taking this course. Poverty, inequality, firms, migration, credit, health, and education are among the main topics covered in this course.

## 2 Prerequisites

Students taking this course are expected to have completed the first-year microeconomics and econometrics courses.

## 3 Recommended Books

There is no required textbook for this course. While it is a bit outdated, you may find Ray (1998) useful. If you are doing developing for your research, it is useful to have de Janvry and Sadoulet (2016). It is a fairly comprehensive book on development. Banerjee and Duflo (2011) and Karlan and Appel (2012) provide a good non-technical introduction to some of the topics covered in this course and cover various experimental studies (some of which are covered in this course). While we will not be using any econometrics textbooks, you may find Cameron and Trivedi (2005) useful. You may also find Angrist and Pischke (2015) handy.

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\*Email: [tfujii@smu.edu.sg](mailto:tfujii@smu.edu.sg). Just send me an email if you need to consult with me.

## 4 Reading Assignments

At the end of each lecture, I will assign a few papers to read. You are welcome to read them in advance but it is probably easier to read after attending the lecture.

## 5 Structure of the Course

The class will meet once a week. In each session, there will be a lecture and some informal discussions if time allows. I will also assign required readings at the end of each lecture. All the reading materials will be available either electronically or from the course reserve in the library. Below is the breakdown of grade components.

1. Participation (10%). Attend lecture and participate in informal class discussion.
2. Quizzes ( $12\% \times 2$ ). There will be two closed-book quizzes that ask you to solve analytical questions and explain some basic concepts.
3. Policy brief (10%). Choose at least three closely related RCT papers on education, health, or microfinance. If you wish to present on a different topic, you may seek an approval in advance. Due Week 5. See Lecture #1 slides for the details.
4. DiD project (16%). Replication and presentation of a published paper using difference-in-differences estimator. Due Week 9. See Lecture #2 slides for the details.
5. Student Project (40%; 25% for report + 10% for presentation + 5% for feedback report). Each student will write and present a research proposal in empirical development economics (very broadly defined). The research proposal should include (a) introduction, which should include a description of key research question(s) and relevant background information, (b) brief survey of an existing literature, (c) data source (if using existing data) or data collection strategy (if you are collecting data on your own) and methodology, and (d) expected contribution of the proposed research to the literature. You may also add some preliminary results, if you wish, and/or theoretical models. The report should be typed with 12pt font

and have 7-10 one-and-half-spaced A4 pages excluding references, tables, and figures, which should be appended at the end of the report. Tables and figures should be self-explanatory and limited only to the ones that are critical (i.e., don't include tables and figures that are only remotely relevant). All the papers you cited should be given in the references. **You are welcome to consult with me on this assignment anytime after the start of the course.** Each student must submit the slides and report **by 8am on April 1, 2024 on eLearn.** Besides, **two sets of hard copies** (one for me and one for peer evaluation) must be brought to class on April 5, 2024. You are also expected to write a feedback report for other students proposals, which should provide constructive feedback and is due on April 8, 2024.

## 6 Schedule (tentative; subject to change)

Week	Date	Topic
01	Jan 12	Project Evaluation & RCT
02	Jan 19	Quasi-experimental Method
03	Jan 26	Education
04	Feb 02	Nutrition and Health
05	Feb 09	Credit and Risk, Policy Brief Presentation
06	Feb 16	Urbanization and Transportation
07	Feb 23	Migration, Quiz #1
08	Mar 01	Recess
09	Mar 08	Family and Demography, DiD Replication Presentation
10	Mar 15	Poverty
11	Mar 22	Inequality
12	Mar 29	Polarization, Firms
13	Apr 05	Quiz #2, Student Project Presentation

## 7 Academic Integrity

All acts of academic dishonesty (including, but not limited to, plagiarism, cheating, fabrication, facilitation of acts of academic dishonesty by others, unauthorized possession of exam questions, or tampering with the academic work of other students) are serious offenses.

All work (whether oral or written) submitted for purposes of assessment must be the student's own work. Penalties for violation of the policy range from zero marks for the component assessment to expulsion, depending on the nature of the offense.

When in doubt, students should consult the instructors of the course. Details on the SMU Code of Academic Integrity may be accessed at <http://www.smuscd.org/resources.html>.

## References

- Angrist, J.D., and J.-S. Pischke (2015) *Mastering 'Metrics: The Path From Cause to Effect* (Princeton University Press)
- Banerjee, A., and E. Duflo (2011) *Poor Economics* (Public Affairs)
- Cameron, A.C., and P.K. Trivedi (2005) *Microeconometrics: Methods and Applications* (Cambridge University Press). Available from <http://www.centropartici.unina.it/centro/Cameron&Trivedi.pdf>
- de Janvry, A., and E. Sadoulet (2016) *Development Economics: Theory and Practice* (Routledge)
- Karlan, D., and J. Appel (2012) *More Than Good Intentions: Improving the Ways the World's Poor Borrow, Save, Farm, Learn, and Stay Healthy* (Plume)
- Ray, D. (1998) *Development Economics* (Princeton University Press)