



Department of Economics
ECON 5505 – SELECTED TOPICS IN DEVELOPMENT ECONOMICS
FALL 2022

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Office Hours: Tuesday 11:00 am to 1:00 pm (online using zoom/in person)

Course Time: Mondays 6:05-8:55 pm

Location: Tory Building, room 217

Course Description: This is a course on a range of topics in development economics including concepts of development, poverty, inequality, health, education, governance, institutions, credit, finance and international trade. Apart from delving into the concepts and theory, the course also engages with empirical literature in development economics.

Prerequisite(s): ECO 6172, ECO 6572

Required Textbook (s): There is no textbook in this course. The reading list for the course is provided below. All reading material will be uploaded on Brightspace.

Reading List: (Not all readings will be covered in full due to paucity of time.)

Poverty, inequality and development

- Ray, D. (1998). *Development economics*. Princeton University Press. Chapters 1, 2, 6 and 8 (selected portions)
- Cypher, J.M. & Dietz, J.L. (2014). *The process of economic development*. Routledge. Chapters 3,4,5 and 6 (selected portions)
- Piketty, T. (2018). *Capital in the twenty-first century*. Harvard University Press. Chapter 2.
- Jones, Charles I., and Peter J. Klenow. (2016). "Beyond GDP? Welfare across Countries and Time." *American Economic Review*, 106 (9): 2426-57.
<https://www.aeaweb.org/articles?id=10.1257/aer.20110236>
- Subramanian, S. and A. Deaton (1996). "The Demand for Food and Calories." *Journal of Political Economy* 104(1), 133-162.
https://rpd.princeton.edu/sites/g/files/toruqf1956/files/media/deaton_subramanian_demand_for_food_and_calories_jpe1996.pdf
- Birdsall, N., Lustig, N., & Meyer, C. J. (2014). The strugglers: The new poor in Latin America? *World Development*, 60, 132-146. <https://doi.org/10.1016/j.worlddev.2014.03.019>

- Easterly, W. (2007). Inequality does cause underdevelopment: Insights from a new instrument. *Journal of Development Economics*, 84(2), 755-776. <https://doi.org/10.1016/j.jdeveco.2006.11.002>

Governance, institutions and reforms

- Krueger, A. O. (1990). Government failures in development. *Journal of Economic Perspectives*, 4(3), 9-23. <https://www.aeaweb.org/articles?id=10.1257/jep.4.3.9>
- Acemoglu, D., Johnson, S. & Robinson, J.A. (2002). Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution. *The Quarterly Journal of Economics*, 117 (4),1231–1294. <https://doi.org/10.1162/003355302320935025>
- Bardhan, P. (2002). Decentralization of governance and development. *Journal of Economic Perspectives*, 16(4), 185-205. [doi:10.1257/089533002320951037](https://doi.org/10.1257/089533002320951037)
- Dercon, S., & Christiaensen, L. (2011). Consumption risk, technology adoption and poverty traps: Evidence from Ethiopia. *Journal of Development Economics*, 96(2), 159-173. <https://doi.org/10.1016/j.jdeveco.2010.08.003>
- Aidt, T. S. (2009). Corruption, institutions, and economic development. *Oxford review of economic policy*, 25(2), 271-291. <https://www.jstor.org/stable/23607049>

Credit, finance and development

- Hoff, K., & Stiglitz, J. E. (1990). Introduction: Imperfect information and rural credit markets: Puzzles and policy perspectives. *The World Bank Economic Review*, 4(3), 235-250. <https://doi.org/10.1093/wber/4.3.235>
- Banerjee, A., Duflo, E., Glennerster, R., & Kinnan, C. (2015). The miracle of microfinance? Evidence from a randomized evaluation. *American Economic Journal: Applied Economics*, 7(1), 22-53. <https://www.aeaweb.org/articles?id=10.1257/app.20130533>
- Bose, P. (1998). Formal–informal sector interaction in rural credit markets. *Journal of Development Economics*, 56(2), 265-280. [https://doi.org/10.1016/S0304-3878\(98\)00066-2](https://doi.org/10.1016/S0304-3878(98)00066-2)
- Burgess, R., and Pande, R. (2005). Do Rural Banks Matter? Evidence from the Indian Social Banking Experiment. *American Economic Review*, 95 (3): 780-795. <https://www.aeaweb.org/articles?id=10.1257/0002828054201242>
- Nayyar, D. (2015). Birth, life and death of development finance institutions in India. *Economic and Political Weekly*, 51-60. <https://www.jstor.org/stable/24482408?seq=10>

International trade, policy and multi-lateral institutions

- Winters, L. A., & Martuscelli, A. (2014). Trade liberalization and poverty: What have we learned in a decade?. *Annual Review of Resource Economics*, 6(1), 493-512. <https://doi.org/10.1146/annurev-resource-110713-105054>
- Dornbusch, R. (1992). The case for trade liberalization in developing countries. *Journal of Economic Perspectives*, 6(1), 69-85. <https://www.jstor.org/stable/2138374>
- Beyer, H., Rojas, P., & Vergara, R. (1999). Trade liberalization and wage inequality. *Journal of Development Economics*, 59(1), 103-123.
- Krugman, P. (1981). Trade, accumulation, and uneven development. *Journal of Development Economics*, 8(2), 149-161. [https://doi.org/10.1016/S0304-3878\(99\)00007-3](https://doi.org/10.1016/S0304-3878(99)00007-3)
- Rodrik, D. (2018). What do trade agreements really do?. *Journal of Economic Perspectives*, 32(2), 73-90. <https://www.aeaweb.org/articles?id=10.1257/jep.32.2.73>

Education, skills and human capital

- Hanushek, E. A., & Woessmann, L. (2008). The role of cognitive skills in economic development. *Journal of Economic Literature*, 46(3), 607-68.
<https://www.aeaweb.org/articles?id=10.1257/jel.46.3.607>
- Chaudhury, N., Hammer, J., Kremer, M., Muralidharan, K., & Rogers, F. H. (2006). Missing in action: teacher and health worker absence in developing countries. *Journal of Economic Perspectives*, 20(1), 91-116.
<https://www.aeaweb.org/articles?id=10.1257/089533006776526058>
- Baird, S., McIntosh, C., & Özler, B. (2019). When the money runs out: Do cash transfers have sustained effects on human capital accumulation? *Journal of Development Economics*, 140, 169-185. <https://doi.org/10.1016/j.jdeveco.2019.04.004>
- Duflo, E. (2001). Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment. *American Economic Review*, 91(4): 795-813.
<https://www.aeaweb.org/articles?id=10.1257/aer.91.4.795>
- Marginson, S. (2019). Limitations of human capital theory. *Studies in Higher Education*, 44(2), 287-301. <https://doi.org/10.1080/03075079.2017.1359823>

Brightspace: I will regularly upload all the reading material, class slides, instructions about assignments and any other announcements on Brightspace from time to time. For assistance with Brightspace contact the ITS Service Desk 4th Floor, MacOdrum Library, telephone: 613-520-3700.

Student Evaluation & Course Grades: Each student's grade shall be calculated as follows:

- 20%: Mid-term Examination**
- 20%: Presentation**
- 30%: Term paper**
- 30%: End-term examination**

There will be one mid-term examination in the course. You will be required to choose a research article on a topic of interest from the first two modules covered until October 7th (5% weightage in total assessment). You are required to write a critical review of the economic theory invoked in the article and submit it by October 17th (15%). The instructor will provide a guideline for choosing the article and for writing the critical review. You are also required to write a term paper in this course. Choose a country of your choice with a developmental concern. In the context of the country, write a research paper examining a thesis on the chosen developmental issue of the country. The instructor will provide a detailed guideline on the term paper. You must decide upon a thesis and a tentative bibliography by October 31st (10%). You will be required to present your work in class on November 15th (20%). The term paper should be submitted by November 21st (30%). There will be an end-term examination in the course (30%). This exam will assess your conceptual understanding of the reading material covered in the course. This will be a 2 hour, in class examination held on December 5th.

Late and missed Assignment Policy:

Without a compelling reason—well-documented and notified to the instructor in advance, you should not be missing any assignment. If you are late in submitting an assignment, out of the total worth of the assignment, a 10% equivalent point will be deducted each day. A delay of more than a week is not acceptable. If you do not write the final term examination, a final course grade of F will be granted.

Satisfactory Performance Criteria: Students must fulfill all the preceding course requirements in order to achieve a passing grade (D- or higher). Any request for deferring the end-term examination should be made to the Registrar's Office.

Final Exam: In class on December 5th.

For updates, consult <http://www.carleton.ca/ses>

Re-grading: Any request for the remarking of exams must be submitted in writing within two weeks of that exam first being returned to the class. The request should contain a detailed explanation of why you feel you should receive a higher mark. Please note that remarking will apply to the entire exam not just the contentious question. As a result, the revised mark may be higher than, lower than or the same as the original mark.

NOTE: For verification and security purposes, I will not reply to emails originating from non-Carleton e-mail accounts, and which are not signed with a student's name and student number. Assignments and changes to schedules will be made available on Brightspace only. Please ensure that you have a Carleton email account.

Plagiarism: Academic Integrity is foremost. Any form of academic dishonesty including plagiarism will not be tolerated and will be dealt with in accordance to the university policies & guidelines, see <https://carleton.ca/registrar/academic-integrity/> .

Requests for Academic Accommodation:

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

Pregnancy obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wpcontent/uploads/Student-Guide-to-Academic-Accommodation.pdf

Religious obligation

Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website: carleton.ca/equity/wp-content/uploads/Student-Guide-to-Academic-Accommodation.pdf

Academic Accommodations for Students with Disabilities



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If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. carleton.ca/pmc

Survivors of Sexual Violence

As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and its survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: carleton.ca/sexual-violence-support

Accommodation for Student Activities

Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. <https://carleton.ca/senate/wp-content/uploads/Accommodation-for-Student-Activities-1.pdf> For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline