

# **INDEV 605: Economics for Sustainable Development**

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## **Winter 2018 Syllabus**

The course explores the defining development challenges of the contemporary developing world. The topics covered include: poverty and inequality; population and development; health and education; the role of institutions in development; social fractionalization, corruption and civil conflict; as well as foreign aid and development. The canonical models in growth and development will be covered to provide broader guiding frameworks for the class. The course gets underway with discussions of important concepts, measures and indicators of economic development; it concludes with some hopeful notes – unusual for a course on development economics – but justified given the recent experiences of some of the developing countries.

This is NOT a methods course, nor does it require prior knowledge in econometric analysis. Nevertheless, a successful engagement in the class will allow a student to assess the contribution to knowledge of a typical empirical research in development economics, allowing him/her to become an effective development practitioner.

Lectures: Monday 11:30 – 2:20 pm, EV3 4408

Office: STP 210

Office Hours: TBA

### **Required Readings:**

1. Todaro, Michael and Stephen C. Smith. (2013). Economic Development. Pearson.
2. Assigned Papers which are indicated below. They must be read carefully enough to understand the issues. A main concern of the lectures is evaluation of the papers' research designs and methods. Attending lectures will thus help students in forming critical opinion of the issues tackled by the papers.

## **Grading:**

The course grade will be assigned as follows:

- 1) A two-page Policy Brief (PB) dealing with specific issues on economic development. Instructions for these assignments will be provided one week before they are due. Every student will present their PB in class on the due date (15%);
- 2) A 5 to 7 pages case-study dealing with a topic of choice covered in class. The case studies – expected to focus on any of the countries in the developing world – will be due on the last day of class. Students need to consult with me on how to execute this part of the course requirement before the end of February (25%);
- 3) A mid-term that covers the first four items of the Syllabus (20%); (February 5)
- 4) A Final exam on the rest of the course materials on the last day of class (40%). (TBA)

## **Contents:**

1. Economic Development: An Overview. (January 8)
2. Measures and Indicators of Development. (January 15)
3. Conventional Theories of Economic Growth and Development (January 22)
4. Poverty and Inequality (January 29)
5. Population and Development
  - a. Population Growth and Development (February 12)

National Research Council Working Group on Population and Economic Development (1986) Population and Economic Development: Policy Questions (National Academy Press, Washington D. C.) (Note: Focus on the Introduction and its Conclusion.)

In Nancy Birdsall, Allen Kelley, and Steven Sinding (2001). *Demographic Change, Economic Growth, and Poverty in the Developing World* (Oxford University Press). (See the article by Allen Kelley)

Grant Miller (2010) "Contraception as Development? New Evidence from Family Planning in Columbia," *Economic Journal*. Volume 120, Issue 545, pages 709 – 736

Lee, Ronald, et al (2014) "Is low Fertility really a Problem? Population Aging, Dependency and Consumption." *Science*.

b. Migration and Development (February 26)

Clemens, M., "Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?" *Journal of Economic Perspectives*, 25(3) (2011), 83 – 106

Gibson, J., D. McKenzie, and S. Stillman, "The Impacts of International Migration on Remaining Household Members: Omnibus Results from a Migration Lottery Program," *The Review of Economics and Statistics* 93(4) (2011) 1297 – 1318.

Yang, D., "International Migration, Remittances and Household Investment: Evidence from the Philippines Migrants' Exchange Rate Shocks," *The Economic Journal* 118 (April) (2008) 591 – 630.

Mergo, T., "The Effects of International Migration on Migrant-Source Households: Evidence from Ethiopian Diversity-Visa (DV) Lottery Migrants,"  
Revise and Resubmit.

6. Human Capital and Development

a. Education (March 5)

Krueger, Alan and Mikael Lindhal. (2001). "Education for Growth: Why and For Whom?" *Journal of Economic Literature*, 39 (4), 1101 – 1136;

Duflo, Esther. (2001) "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review*, 91(4), 795 – 813.

Lucas, Adrienne, and Isaac Mbiti. (2013). "Effects of School Quality on Student Achievement: Discontinuity Evidence from Kenya", *American Economic Journal: Applied Economics*

b. Health (March 12)

Smith, James (2005). "Unraveling the SES-Health Connection", *Population and Development Review, Special Issue (February)*.

Mani, Anandi, Sendhil Mullainathan, Eldar Shafir, and Jiaying Zhao. (2013). "Poverty Impedes Cognitive Function," *Science*, 341, 976 - 980

Daren Acemoglu and Simon Johnson (2007) "Disease and Development: the Effect of Life Expectancy on Economic Growth", *Journal of Political Economy*, (December) volume 115, pp. 925 – 985

7. History, Institutions and Development (March 19)

Spalore, Enrico and Roman Wacziarg. (2013). "How Deep are the Roots of Economic Development?" *Journal of Economic Literature*, 51(2), 325 – 369.

Acemoglu, Daron, Simon Johnson, and James Robinson. (2001). "Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, 91 (5), 1369 – 1401.

Dal Bo, Pedro, Andrew Foster, Louis Putterman (2010) "Institutions and Behavior: Experimental Evidence on the Effects of Democracy", *American Economic Review*, 100(5), 2205 -2229

Acemoglu, Daron, Simon Johnson, James Robinson, and Pierre Yared. (2008). "Income and Democracy", *American Economic Review*, 98(3), 808 – 842.

Bockstette, Valerie, Areendam Chanda, and Louis Putterman. (2002). "States and Markets: The Advantage of an Early Start", *Journal of Economic Growth*, 7, 347 – 369

8. Social Fractionalization, Civil Conflict, Corruption, and Development (March 26)

Fisman, Raymond and Edward Miguel (2008). *Economic Gangsters: Corruption, Violence and the Poverty of Nations*. Princeton University Press; Chapter 4

Easterly, William and Ross Levine. (1997). "Africa's Growth Tragedy: Policies and Ethnic Divisions", *Quarterly Journal of Economics*, 112(4), 1203 – 1250.

Pande, Rohini. (2003). "Can Mandated Political Representation Increase Policy Influence for Disadvantaged Minorities? Theory and Evidence from India," *American Economic Review*, 93(4), 1132 - 1151

Olken, Ben and Patrick Barron. (2009). "The Simple Economics of Extortion: Evidence from Trucking in Aceh", *Journal of Political Economy*, 117(3), 417 – 452.

Reinikka, Ritva and Jakob Svensson. (2004). "Local Capture: Evidence from a Central Government Transfer in Uganda." *Quarterly Journal of Economics*, 119(2)

Fisman, Raymond. (2001). "Estimating the Value of Political Connections," *American Economic Review*, 91(4), 1095 - 1102

Olken, Ben and Rohini Pande (2012) "Corruption in Developing Countries", *Annual Review of Economics*, Vol. 4

## 9. Foreign Aid and Development: Concluding Remarks (April 2)

Reading List: TBA