

ARE/ECN 115A: ECONOMIC DEVELOPMENT

Administration

- **Instructor:**
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OH: Thursdays 12:00PM–2:00PM, SSH 2143
- **Lectures:**
Tuesday and Thursday 9–10:20AM
Location: Kleiber Hall 003
- **Website:**
<https://canvas.ucdavis.edu/courses/1041216>

Description

The world has become much richer since the mid 20th century as many countries have achieved unprecedented rates of economic growth. Yet there remain many poor countries and, even in richer countries, many poor people. This course examines the process of economic development, including the determinants of poverty. We will use economics and statistics to describe and understand the many issues developing countries face, the constraints and motivations that govern the choices of individuals and households in these contexts, and the policy tools applied by government, non-profit, and for-profit entities in the development sector.

This course features an overview of economic development, policy, and impact evaluation. Measurement issues loom large in development economics, so we spend time at the outset exploring measures of income, poverty, and human development. The main part of the course explores the impact of various policies that enable economic development including investments in health and education, technological development, risk mitigation and social safety nets, access to credit and microfinance, transportation infrastructure, and

information and communication technology. Finally, we conclude by exploring development through the lens of institutions—the norms and rules of the game that govern how societies function, their historical determinants, and policies to improve governance in the modern world. In discussing economic policies, we introduce the basic concepts of impact evaluation, which are essential to understanding what works to improve living conditions and enable individuals, households, and communities to thrive. Throughout the course, we develop quantitative tools for testing hypotheses and evaluating the causal impacts of development policies.

Materials

The central text for this course is *Poor Economics* by Abhijit Banerjee and Esther Duflo (2011). This book provides a narrative description of many of the key issues in economic development and discusses research on policy solutions.

We frequently return to several other helpful sources throughout the quarter:

- *Portfolios of the Poor* (Collins, Morduch, Rutherford, and Ruthven, 2009) offers another narrative description of the financial lives of poor households.
- Our World in Data (<https://ourworldindata.org>) aggregates data on economic development from around the world and over time.
- VoxDev (<https://voxdev.org>) provides an outlet for researchers to write non-technical summaries of their latest work.
- J-PAL (<https://www.povertyactionlab.org/publications>) summarizes research findings from rigorous policy evaluations.
- *The Economy 2.0: Microeconomics and Macroeconomics* (<https://books.core-econ.org>) explain many of the economic concepts covered in this class.
- *Mastering ‘Metrics* (Angrist and Pischke, 2014) cover the statistical tools used in program evaluation.

There are 1–2 main required readings for each class session along with many optional supplemental readings on the course website for further background.

Course Structure

Lectures are in-person on Tuesday and Thursday from 9–10:20am in Kleiber Hall 003. Lecture attendance is mandatory. We will use iClickers during lecture to solidify concepts and test understanding, and part of your grade will be based on your in-class responses. Our lecture hall is equipped with Lecture Capture, so recordings of lecture slides with audio will be posted to Canvas several hours after lecture is completed. The recordings are meant as a tool to review concepts from lecture, not as a substitute for in-person attendance. I will also post my lecture slides to Canvas before each lecture.

TA discussion sections are mandatory, and you must attend the section you are registered for. Material presented in section may be new content not covered in lecture, more in-depth discussion of content from lecture, or applications of quantitative tools to prepare you for the homework. A post-section Canvas quiz will be posted at 7PM every Wednesday to assess your comprehension of section material. You must complete the quiz by 11:59PM on Friday.

Grades

Your grade in this course will be based on multiple components. Final scores will be calculated using the following weights. Final grades may be curved, but your grade will never fall as a result of the curve.

Item	Weight	Dropped Scores
iClicker	9%	Drop 2 lowest
Post-Section Quizzes	7%	Drop lowest
Reflections	2%	Drop lowest
Problem Sets (5)	27%	Lowest worth half points
Midterm Exam	25%	
Final Exam	30%	

iClickers: In order to promote class participation and provide you an incentive to complete readings, we will conduct live polling in lecture using iClickers. A total of 10% of your grade will be based on your iClicker responses over the quarter. After each lecture, we will select questions at random from that lecture to score. You may earn 2 Clicker points for each lecture—one point for answering the question, and one for selecting the correct answer based on the assigned reading. It is your responsibility to ensure your iClicker account is registered with the course and your device is working properly. iClickers are intended for in-class participation; it is a violation of the code of academic conduct to register iClicker responses when not in class. If you are unable to participate with your iClicker, please see a TA *immediately after class* to register your attendance. No makeup points will be available for iClickers, but your two lowest iClicker sessions will be dropped in case you forget your phone, can't connect, or need to miss a lecture.

Post-Section Quizzes: Each week you will complete a quiz on Canvas that covers material from that week's TA discussion section. This quiz will be available at 7pm on Wednesday and must be completed via Canvas each by 11:59 pm PST on Friday. Late quizzes will not be accepted, but I will drop your lowest quiz score from your final grade.

Reflections: After each Thursday class you will have the opportunity to provide feedback through a Canvas survey (available until 11:59pm on Friday) that will always consist of same task reflecting on the week. These surveys will be anonymous and give you the opportunity to provide real-time feedback about the course or communicate anything else you would like the professor to know. Reflections will be scored only for completion, so you can receive full credit by submitting a blank form if have nothing to communicate. I will drop your lowest reflection score, so you can miss up to one without penalty.

Problem Sets: Five problem sets will be due throughout the quarter. They are designed to apply and solidify the concepts from lecture and to develop the quantitative skills to analyze real settings using the skills taught in class. These problem sets are long and labor intensive, so we encourage you to start early and bring questions to office hours. Answers to the problem sets must be typed and submitted via Gradescope, with a companion Excel file submitted directly on Canvas when applicable. Several assignments will require you to present and discuss graphs. Points will also be taken off for any graph that has a missing title or axis label. No problem set grades will be dropped, but your lowest score will receive only half weight in the problem set scoring. Submissions will be accepted up to one hour late with a 20% penalty.

Development economics is a collaborative field, and close collaboration with a team can challenge you to deepen your understanding. To promote learning in this class, you must work in groups of 2, 3, or 4 to complete the problem sets.

Exams There will be one midterm and one final exam. The final exam will be comprehensive, but focus more on material covered after the midterm. These exams will be in-person and hand-written. The exams will be closed book, but you will be allowed to bring one 8.5"×11" sheet of notes. You must work completely independently. Any evidence of collaboration or cheating will be immediately and without question referred to Student Judicial Affairs.

Policies

Prerequisites: This course formally requires that you have had at least an introductory course in microeconomics (such as ECN1A/1B). We will assume that you are familiar with basic concepts from consumer and producer economics (production functions, utility, cost curves, diminishing marginal product, etc.) as well as basic statistical concepts (mean, variance, standard deviation, etc.). The course will be issue-oriented but will make rigorous use of the tools and techniques of applied economic analysis. Several problem sets will require Excel use to develop familiarity with basic Excel functions.

AI Use: I strongly encourage you to refrain from using AI in homeworks and quizzes. The more you can accomplish on your own without AI assistance, the better you will solidify your own understanding of concepts, and the more effectively you will be able to use AI as a tool rather than a crutch in the future. If you choose to use AI, you must cite which portions of your work were assisted by AI and exactly how you used it for assistance. As always, points will be deducted for failure to follow instructions.

Regrade: If you feel there was an error in grading, a regrade request must be submitted to me by email. For a regrade, submit your original graded work along with a brief description detailing exactly where you believe the error to be and why. Your entire answer will be scored again and your grade may decline if I notice mistakes that were missed the first time, so you should only use this option if you are very confident there was a mistake in scoring.

Laptop-Free Zone: Research shows taking notes by hand can be better for learning than typing. Moreover, screens can be distracting for anyone within eye-shot. To enable students to opt into a screen-free learning environment, we reserve the right to institute and enforce a “laptop-free zone”: The front few rows of the center section will be a laptop-free area, where it is also discouraged to use phones or tablets except for note-taking and iClicker questions.

Notice of the Academic Code of Conduct

This course is bound by the university’s Code of Academic Conduct. It is a violation of the Code to post materials from this course on other websites or forums without permission. Full text can be found at <https://studentconduct.ucdavis.edu/code-academic-conduct>. Any violations of this Code will be treated seriously and reported to Student Judicial Affairs. Using solution keys for past ARE/ECN 115A problem sets, quizzes or other assignments is considered a violation of this code regardless of how you gained access to such materials. In short, unless otherwise stated as part of assignment instructions, all work you submit in this class must be your own work.

All lecture, section and other course materials, including presentations, problem sets, quizzes, exams, and similar materials, are protected by U.S. copyright law and by University policy. As a teaching team, we are the exclusive owner of the copyright to the materials we create. You may take notes and make copies of course materials for your own use. You may also share those materials with another student who is enrolled in or auditing this course. You may not reproduce, distribute or display (post/upload) lecture notes or recordings or course materials in any other way—whether or not a fee is charged—without my express prior written consent. You also may not allow others to do so. If you do so, you may be subject to student conduct proceedings under the UC Davis Code of Academic Conduct. Similarly, you own the copyright in your original papers and exam essays. If I am interested in posting your answers or papers on the course web site, I will ask for your written permission.

Additional Student Resources

Additional student resources related to academic support, health & wellness, career options, and campus community are available at <https://ebeler.faculty.ucdavis.edu/resources/faq-student-resources>. Please don’t hesitate to use the campus resources or reach out to me with concerns about your physical or mental health.

Course Schedule

The planned schedule of topics is below, though this may be updated slightly as the quarter progresses. All readings listed below are REQUIRED and should be completed before the lecture they are listed for. Many additional readings and resources (optional but recommended for further learning) are provided on Canvas/Modules. Please note that external, unexpected circumstances may require modifications to the planned schedule and/or changes to course delivery.

Date	Topics and Readings	Section
Jan 6	Course Introduction and Overview	
Jan 8	GDP: Definitions and Measurement –Planet Money Podcast, 2022: “GDP & What Counts” – <i>The Economy 2.0 (Macroeconomics)</i> , Chapter 4.2	Introduction to Excel
Jan 13	Poverty and Inequality: Measurement –Our World in Data: “Key Insights on Poverty” –Our World in Data: “Measuring Inequality”	Graphing with Excel
Jan 15	Poverty and Inequality: Facts and Trends –Banerjee & Duflo (2007): “Economic Lives of the Poor” *** <i>Problem Set 1 due: Jan 18, 11:59PM</i> ***	
Jan 20	Impact Evaluation – <i>Mastering ‘Metrics</i> , Intro. & Ch. 1 (excl. Appendix) –Recommended: “Randomization Toolkit” Section 2.1	Statistics with Excel
Jan 22	Health – <i>Poor Economics</i> , Chapter 3	
Jan 27	Human Capital – <i>Poor Economics</i> , Chapter 4 *** <i>Problem Set 2 due: Jan 28, 11:59PM</i> ***	Selection Bias
Jan 29	Technology, Adoption, and Learning – <i>Portfolios of the Poor</i> , Chapter 2	
Feb 3	Overflow and Review	
Feb 5	*** <i>Midterm Exam: In class</i> ***	Review

Date	Topics and Readings	Section
Feb 10	Risk and Uncertainty – <i>Poor Economics</i> , pp. 9–13 & Chapter 6	Certainty Equivalents
Feb 12	Savings, Financing, and Poverty Traps – <i>Portfolios of the Poor</i> , Chapter 4	
Feb 17	Credit Markets – <i>Poor Economics</i> , Chapter 7 *** <i>Problem Set 3 due: Feb 16, 11:59PM</i> ***	Asymmetric Information
Feb 19	Microfinance –Banerjee et al. (2020): Microfinance and poverty traps –Breza & Kinnan (2018): Credit and local markets	
Feb 24	Specialization and Gains from Trade – <i>The Economy 2.0 (Microeconomics)</i> , Chapter 2.3	
Feb 26	Market Access: Transportation Infrastructure –JPAL (2019): “Can we support SME growth?” –Shamdasani (2021): Roads and agricultural productivity *** <i>Problem Set 4 due: Mar 1, 11:59PM</i> ***	Comparative Advantage
Mar 3	Market Access: Information Technology –Jensen (2007): “The Digital Divide”, Sections I and III	Difference in Differences
Mar 5	History and Institutions – <i>Poor Economics</i> , Chapter 10	
Mar 10	Corruption and Governance –Colonnelli & Prem (2022): Corruption and Firms *** <i>Problem Set 5 due: Mar 11, 11:59PM</i> ***	Review
Mar 12	Overflow and Review	
Mar 18	*** <i>Final Exam: 8–10AM</i> ***	