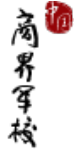




PHBS
北京大学汇丰商学院



GE 504 Economics of Development 1st Module, 2024-2025

Course Information

Instructor: Yizhen Gu

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Office Hour: Tue & Fri, 9:30-10:30am, Wed 9:30-11:30am or by appointment

Teaching Assistant: TBA

Phone: TBA

Email: TBA

Classes:

Lectures: Tue & Fri, 10:30-12:20am

Venue: PHBS Building, Room TBA

Course Website:

TBA

1. Course Description

1.1 Context

Course overview: This course covers theory and empirical evidence on the determinants of economic development and the global fight against poverty. Rather than just describing the causes and consequences of lagging economic development, this course aims to introduce you to several empirical research methods that are being used by scholars and policy makers to deepen our understanding of the process of economic development. One of the key learning objectives of this course is to make students familiar with modern research techniques that are currently being used to inform policy making in developing countries. As a part of this course, students will also learn how to implement these tools themselves using real-world data sets and widely used statistical software for impact evaluation.

Prerequisites: Students are expected to complete intermediate microeconomics. Introduction to Econometrics is highly recommended but is not required. In addition, familiarity with basic statistical and mathematical methods will be very helpful.

1.2 Textbooks and Reading Materials

Recommended Texts:

De Janvry, A. and E. Sadoulet (2015), Development Economics: Theory and Practice, 1st Edition.

Stock, James H. and Mark W. Watson (2011), Introduction to Econometrics, 3rd Edition, Pearson, Addison Wesley.

Background Readings (not required):

Banerjee, Abhijit and Esther Duflo (2011), *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*.

Singer, Peter (2018), *The Most Good You Can Do*.

2. Learning Outcomes

2.1 Intended Learning Outcomes

Learning Goals	Objectives	Assessment (YES with details or NO)
1. Our graduates will be effective communicators.	1.1. Our students will produce quality business and research-oriented documents.	No.
	1.2. Students are able to professionally present their ideas and also logically explain and defend their argument.	Yes. Written exam.
2. Our graduates will be skilled in team work and leadership.	2.1. Students will be able to lead and participate in group for projects, discussion, and presentation.	Yes.
	2.2. Students will be able to apply leadership theories and related skills.	No.
3. Our graduates will be trained in ethics.	3.1. In a case setting, students will use appropriate techniques to analyze business problems and identify the ethical aspects, provide a solution and defend it.	Yes. Written exam.
	3.2. Our students will practice ethics in the duration of the program.	No.
4. Our graduates will have a global perspective.	4.1. Students will have an international exposure.	Yes. Readings of international materials.
5. Our graduates will be skilled in problem-solving and critical thinking.	5.1. Our students will have a good understanding of fundamental theories in their fields.	Yes. Written exam.
	5.2. Our students will be prepared to face problems in various business settings and find solutions.	Yes. Written exam.
	5.3. Our students will demonstrate competency in critical thinking.	Yes. Written exam.

2.2 Course specific objectives

This course aims to get students familiar with statistical tools and research designs that are useful for identifying causal effects. By the end of the course, students will be able to independently conduct data analysis for academic, policy or business purposes.

This course aims to get students familiar with modern research techniques and equip students with a working knowledge of important issues in development economics (micro approach). By the end of the course, students are expected to learn how to apply these techniques to analyze real-world development issues, e.g., impact evaluation.

2.3 Assessment/Grading Details

Attendance (10%), Classroom presentation (10%), Problem sets (two referee reports for the papers in the reading list, each 20%), Research Proposal (40%; if time allows, a 5-minute presentation on the proposal).

Two referee reports are due at 10pm on Oct 15th and Nov 5th, respectively.

2.4 Academic Honesty and Plagiarism

It is important for a student's effort and credit to be recognized through class assessment. Credits earned for a student work due to efforts done by others are clearly unfair. Deliberate dishonesty is considered academic misconducts, which include plagiarism; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; or altering, forging, or misusing a University academic record; or fabricating or falsifying of data, research procedures, or data analysis.

All assessments are subject to academic misconduct check. Misconduct check may include reproducing the assessment, providing a copy to another member of faculty, and/or communicate a copy of this assignment to the PHBS Discipline Committee. A suspected plagiarized document/assignment submitted to a plagiarism checking service may be kept in its database for future reference purpose.

Where violation is suspected, penalties will be implemented. The penalties for academic misconduct may include: deduction of honour points, a mark of zero on the assessment, a fail grade for the whole course, and reference of the matter to the Peking University Registrar.

For more information of plagiarism, please refer to *PHBS Student Handbook*.

3. Topics, Teaching and Assessment Schedule

This tentative schedule may be subject to change at the instructor's discretion.

Note: * readings are required.

Topic 1: Introduction and Impact Evaluation

Readings: *Chapters 1, 2, 8 De Janvry & Sadoulet; Chapters 4-6 Stock & Watson

Sen, Amartya. "The concept of development." *Handbook of development economics* 1 (1988): 9-26.

Topic 2: Review of Regression Analysis

Readings: *Chapters 4-6 Stock & Watson

Topic 3: Institutions and Development (1) / Instrumental Variables

Readings: *Chapter 20 De Janvry & Sadoulet;

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

Albouy, David Y. "The colonial origins of comparative development: an empirical investigation: comment." *American economic review* 102, no. 6 (2012): 3059-76.

Acemoglu, Daron, Simon Johnson, and James A. Robinson. "The colonial origins of comparative development: An empirical investigation: Reply." *American Economic Review* 102, no. 6 (2012): 3077-3110.

Topic 4: Institutions and Development (2) / Randomized Control Trials

Readings: *Chapter 21 De Janvry & Sadoulet;

*Dal Bó, Ernesto, Frederico Finan, and Martín Rossi (2013), "Strengthening State Capabilities: The Role of Financial Incentives in the Call to Public Service", *The Quarterly Journal of Economics*, 128(3): 1169-1218.

Topic 5: Institution and Development (3) / Regression Discontinuities

Readings: *Dell, Melissa. "The persistent effects of Peru's mining mita." *Econometrica* 78, no. 6 (2010): 1863-1903.

Topic 6: Institution of China (1) / Fundamentals

Readings: *Xu, Chenggang. "The fundamental institutions of China's reforms and development." *Journal of economic literature* 49, no. 4 (2011): 1076-1151.

* Wang, Shaoda, and David Y. Yang. "Policy Experimentation in China: the Political Economy of Policy Learning." Mimeo.

Topic 7: Institution of China (2) /Decentralization and Political Tournament

Readings: *Jin, Hehui, Yingyi Qian, and Barry R. Weingast. "Regional decentralization and fiscal incentives: Federalism, Chinese style." *Journal of public economics* 89, no. 9-10 (2005): 1719-1742.

*Zhang, Tao, and Heng-fu Zou. "Fiscal decentralization, public spending, and economic growth in China." *Journal of public economics* 67, no. 2 (1998): 221-240.

*Li, Hongbin, and Li-An Zhou. "Political turnover and economic performance: the incentive role of personnel control in China." *Journal of public economics* 89, no. 9-10 (2005): 1743-1762.

Topic 8: Institution of China (3) /Agricultural Reform and Property Rights

Readings: *Lin, Justin Yifu. "Rural reforms and agricultural growth in China." *The American economic review* (1992): 34-51.

*Chen, Shuo, and Xiaohuan Lan. "There will be killing: Collectivization and death of draft animals." *AEJ: Applied Economics* 9, no. 4 (2017): 58-77.

Topic 9: Education and Development (1) / Randomized Control Trials

Readings: *Chapter 17 De Janvry & Sadoulet;

*Muralidharan, Karthik and Venkatesh Sundararaman (2011), "Teacher Performance Pay: Experimental Evidence from India", *Journal of Political Economy*.

Topic 10: Education and Development (2) / Difference-In-Differences

Readings: *Chapter 17 De Janvry & Sadoulet;

*Duflo, Esther, (2001) "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment", *American Economic Review*, VOL. 91 NO. 4, 795-813.

Topic 11: Health and Development (1) / Randomized Control Trials

Readings: *Chapter 17 De Janvry & Sadoulet;

*Miguel, Edward, and Michael Kremer (2004), "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities", *Econometrica*, 72(1), 159-217.

Topic 12: Health and Development (2) / Randomized Control Trials

Readings: *Chapter 17 De Janvry & Sadoulet;

(Continued) *Miguel, Edward, and Michael Kremer (2004), "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities", *Econometrica*, 72(1), 159-217.

Topic 13: Globalization and Development (1) / Instrumental Variables

Readings: *Chapter 7 De Janvry & Sadoulet;

*Frankel, Jeffrey and David Romer (1999), "Does Trade Cause Growth?", *American Economic Review*.

Topic 14: Globalization and Development (2) / Randomized Control Trials

Readings: *Couture, Victor, Ben Faber, Yizhen Gu, and Lizhi Liu (forthcoming), "Connecting the Countryside via E-Commerce: Evidence from China", American Economic Review: Insights.

Topic 15: Foreign Aid and Development / Randomized Control Trials

Readings: *Chapter 19 De Janvry & Sadoulet;

*Haushofer, Johannes, and Jeremy Shapiro (2013), "Household response to income changes: Evidence from an unconditional cash transfer program in Kenya", Mimeo Massachusetts Institute of Technology.

Topic 16: Financial Markets and Development (1) / Randomized Control Trials

Readings: *Chapter 13 De Janvry & Sadoulet;

*Banerjee, Abhijit, Esther Duflo, Rachel Glennerster, and Cynthia Kinnan (2015) "The miracle of microfinance? Evidence from a randomized evaluation", AEJ: Applied Economics.

Topic 17: Financial Markets and Development (2) / Randomized Control Trials

Readings: *Chapter 13 De Janvry & Sadoulet;

*De Mel, Suresh, David McKenzie, and Christopher Woodruff (2008) "Returns to Capital in Microenterprises: Evidence from a Field Experiment", Quarterly Journal of Economics, 1329-1371.

Topic 18: Review of Topics and Methods**4. Miscellaneous**

TBA.