

DEVELOPMENT ECONOMICS

Fall 2013

Lecturer: Dagmara Katreniakova (dkatreni@cerge-ei.cz)

Schedule: Lectures – Mondays 14:35 – 16:15

Exercise sessions – Mondays 16:20 – 17:55

The course starts on Monday, September 16th and ends on Monday, December 9th.

Office hours: Mondays 13:00 – 14:30

Course website:

Course description:

The goal of this course is to present an overview of the field of development economics and to discuss how economic analysis has been applied to issues related to developing countries. We will talk about topics such as income distribution, poverty and poverty trap, health, education, population growth, migration, corruption and growth. Classes are opened for discussion and additional topics can be added in case of interest.

Course requirements:

Written midterm – accounts for 30 points

Written final exam – accounts for 50 points

Quizzes – there will be four short written quizzes, each will account for 5 points (total 20 points)

Recommended literature:

Ester Duflo and Abhijit Banerjee: *Poor Economics*

Debraj Ray: *Development Economics*

Dambisa Mayo: *Dead Aid*

Jeffrey D. Sachs: *The end of Poverty*

Course content:

(This is a tentative schedule and may be updated based on students' progress.)

Lecture 1: Introduction I

- What is the course about? Course overview, goals and expectations
- Income distribution of developing countries
- Economic growth, theories of growth

Exercise Session: Economic inequality and its measures

Lecture 2: Introduction II

- Many faces of underdevelopment

Exercise Session: What is poverty? Poverty trap?

Lecture 3: Food

- Does Nutrition based trap exist?

Exercise Session: Introduction to field experiments, quiz no. 1

Lecture 4: Health

- Healthcare behavior in developing countries

Exercise Session: current state of research on improving health conditions, including nutrition

Lecture 5: Education

- Education and its importance, education production function
- Absenteeism of both, students and teachers and poor performance

Exercise Session: current state of research on education, quiz no. 2

Lecture 6: Family

- Household model
- Fertility decisions, population growth and family planning

Additional Reading: Amartya Sen: *100 million missing women*, New York Review of Books

- Exercise Session: Midterm

Lecture 7: Risk and Insurance

- Are poor under stress? Are poor risk lovers or risk averse?

Exercise Session:

Additional reading: Besley, Timothy, "Nonmarket institutions for credit and risk sharing in low income Countries," *Journal of Economic Perspectives*, 9, pages 115-127

Lecture 8: Credit

- Economic of lending to the poor

Exercise Session: Microfinance, quiz no. 3

Lecture 9: Savings

- Do poor people want to save? Can poor people save?

Exercise Session: current state of research on credit and savings

Lecture 10: Enterprise activities of poor

Exercise Session: quiz no. 4

Lecture 11: Institutions

- The quality of institutions in developing countries
- The role of institutions in economic development

Exercise Session: Revision

Lecture 12: Final exam