

# Syllabus

for course at first level

**Intermediate Development Economics**  
**Utvecklingsekonomi**

**7.5 Higher Education  
Credits**  
**7.5 ECTS credits**

<b>Course code:</b>	EC2303
<b>Valid from:</b>	Autumn 2020
<b>Date of approval:</b>	2014-09-04
<b>Changed:</b>	2020-05-14
<b>Department</b>	Department of Economics
<b>Main field:</b>	Economics
<b>Specialisation:</b>	G1F - First cycle, has less than 60 credits in first-cycle course/s as entry requirements

## Decision

This syllabus was approved by the Board of the Department of Economics on September 4, 2014, and changed on May 14, 2020.

## Prerequisites and special admittance requirements

Economics I, 30 credits, and Empirical Methods in Economics I, 7,5 credits, or the equivalent.

## Course structure

Examination code	Name	Higher Education Credits
230A	Intermediate Development Economics	7.5

## Course content

There are enormous differences across countries in income and poverty, as well as in health, education, nutritional standards and many other factors related to the quality of life. The main objective of this course is to go through research that explains some of those differences and identifies remedies to improve the living conditions for the poor.

The course first provides a macro-economic perspective, which discusses what we know (and do not know) about the relation between growth and poverty reduction. Some of the questions addressed are: What might drive economic growth? Are there reasons to believe that average income levels will converge across the world? Does growth reduce poverty? Amongst other things we will revise the Solow model, talk about factor misallocation and the Kuznets hypothesis, think about the role of political institutions for macro development, and critically discuss the empirical evidence we have on these models and questions.

The second part of the course will then present a microeconomic perspective on the lives of the poor. First, we will talk about different reasons why 'poverty traps' might emerge, - situations where poor individuals stay poor because they are poor. We will then talk about the role of credit and insurance markets for the economic lives of the poor. The course will devote separate lectures to the role of education and market integration as well as the role of agricultural sector for economic development. In doing so, we will discuss simple formal economic theories as well as evidence using a wide range of empirical methods.

The course will place emphasis on the interplay of economic theory and empirical evidence. The evidence discussed uses a wide range of methodologies, such as randomized controlled trials, instrumental variable

estimation, difference-in-difference estimation, and regression discontinuity designs. In order to understand the evidence presented, the course will at different points spend some time discussing these approaches – their advantages and disadvantages– at an intuitive level.

### **Learning outcomes**

Upon completion of this course, students are expected to have acquired:

#### **Knowledge and understanding**

The students should know about the main economic arguments why poverty exists, persists and how it might potentially be alleviated. Equally importantly, they are expected to know about the empirical evidence of these ideas and questions.

#### **Proficiency and ability**

The students should learn how to use economic theory to structure their thoughts and gain insight into questions relating to economic development. In addition, the course will discuss a variety of empirical approaches, and ideally the students will be able to apply these ideas to evaluating other economic questions.

#### **Ability to evaluate and assess**

The students should be able to use the economic theories learned to guide and structure their thoughts when discussing economic policy. The students should be able to explain the limitations of the models learned, and which underlying assumptions are critical. The students should be able to critically assess what can be learned from different empirical approaches, and know about the most common difficulties the empirical research faces in the field of economic development.

### **Education**

Instruction is given in the form of lectures. The language of instruction is English.

### **Forms of examination**

The course is examined on the basis of a written exam and an oral presentation. For the presentation the students are given a dataset and a number of quantitative questions at the beginning of the course. They are then expected to perform statistical analyses on the data (using STATA) and present the results of their analysis in the presentation. This work and the presentations are done in groups of two students each. In addition to their slides, the students are expected to submit the code that produces their results ahead of the presentation.

Students will receive letter grades on a seven-point scale related to the learning objectives of the course: Passing grades are A, B, C, D and E, where A is the highest grade and E the lowest. Failing grades are F and Fx, where F is lower than Fx.

#### **Assessment criteria:**

A (Excellent): The student is able to describe the basic concepts, theories and empirical results in development economics. The student is able to analyze an economic problem that is not discussed in the course material in an accurate and well-structured manner, and is able to motivate which model is relevant in finding a solution to this problem. The student has a good command of the theoretical derivation of the models used. The student is able to carry out a nuanced discussion on the subject of the conclusions and limitations of the theoretical analysis. The student is able to display an awareness of what empirical evidence there is to support or reject the model's predictions.

B (Very Good): The student is able to describe basic concepts, theories and empirical results in development economics. The student is able to analyze a problem similar to those discussed in the course material in an accurate and well-structured manner based on a given model. The student is well aware of the limitations of this model and is able to carry out a nuanced discussion on the subject of what conclusions can be drawn from the theoretical analysis. The student has good knowledge of what empirical evidence there is to support or reject the model's predictions.

C (Good): The student is able to describe basic concepts, theories and empirical results in development economics. The student is able to analyze a problem that is directly discussed in the course material in an accurate and well-structured manner based on a given model. The student also understands the model's limitations and has knowledge of what empirical evidence there is to support or reject the model's predictions.

D (Satisfactory): The student is able to describe basic concepts, theories and empirical results in development economics. The student is also able to analyze a problem that is directly discussed in the course material in an accurate manner based on a given model, and has knowledge of what empirical evidence there is to support or reject the model's predictions.

E (Adequate): The student is able to describe basic concepts, the most important components, and important

empirical results in development economics. The student is also able to analyze a problem that is directly discussed in the course material in a fairly accurate manner based on a given model, and has some knowledge of what empirical evidence there is to support or reject the model's predictions.

Fx (Inadequate): The student is unable to analyze a problem that is directly discussed in the course material in a fairly accurate manner based on a given model, but has some knowledge of what empirical evidence there is to support or reject the model's predictions, as well as some knowledge of basic concepts in development economics.

F (Totally Inadequate): The student is unable to analyze a problem that is directly discussed in the course material based on a given model in a fairly accurate manner, lacks knowledge of what empirical evidence there is to support or reject the model's predictions, and/or lacks knowledge of basic concepts in development economics.

If students fail a course unit and receive the grade Fx or F on an examination, there are no restrictions on how many times they are allowed to retake the examination in order to obtain a grade of E or higher.

### **Interim**

If this course is discontinued, students have the right to be examined on the course once per semester for three further semesters.

### **Limitations**

This course may not be included in a degree together with the course EC2302 Intermediate Development Economics, 7,5 ECTS credits.

### **Required reading**

- Articles. Full list available on the course website.