

Poverty, Risk, and Sustainability: Analyzing Development Through Economic Lenses

AEB 7645

Class Periods: Tuesdays, 11:45-12:35 am, 12:50-1:40 pm & Thursdays, 12:50-1:40

Location: We will alternate between face-to-face and online meetings

Room: MAEB 0238 & Online (Zoom)

Academic Term: Fall 2024

Instructor:

Pilar Useche

Professor, Food and Resource Economics & Center for Latin American Studies

McCarty Hall B, 1081. Office Hours: Th 1:40-2:15 pm, or by appointment.

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Course Description

Welcome to the exciting world of Development Economics! This course is your gateway to understanding how economic concepts can be used to tackle the most pressing challenges facing developing nations today. Get ready to:

1. **Fight poverty with data:** Get hands-on experience with state-of-the-art tools for measuring and analyzing poverty, inequality, and vulnerability to shocks. You'll learn to use STATA, turning raw data into powerful insights for policymakers.
2. **Peek into the minds of the poor:** Explore cutting-edge behavioral economics approaches to understand how psychology and social norms influence development outcomes (e.g. food security, nutrition). You'll learn how to design experiments to test policies and interventions.
3. **Master the art of risk management:** Dive into the high-stakes world of risk and uncertainty. Learn how communities in developing countries create informal insurance networks and how their perception of risk influences the adoption of technologies.
4. **Save the planet, one model at a time:** Tackle the critical intersection of environmental conservation and economic development. You'll use micro & macro economic concepts to understand common resource management problems and the pros and cons of different conservation incentives. We will also discuss how participative experimental games can be used for research and outreach.
5. **Become a household detective:** Unravel the complexities of household decision-making in developing countries, with a special focus on gender dynamics. You'll use cutting-edge microeconomic models to analyze how families make decisions, while exploring how gender roles and expectations influence economic outcomes.

Course Objectives

By the end of course, each student should be able to do the following:

- 1) Use conceptual tools to frame and analyze economic development problems.
- 2) Understand the conceptual foundations of empirical measures.
- 3) Apply your knowledge to a particular economic development problem.

Course Pre-Requisites / Co-Requisites

General microeconomic knowledge is desirable. Contents and readings will be at different levels. Students will be able to choose from a set of readings with different levels of theoretical content and technical detail.

Pedagogical Logic and Evaluation of Grades

The course will not include traditional exams to accommodate students from diverse disciplinary and technical backgrounds, fostering an inclusive and collaborative learning environment. Instead, the focus is on continuous engagement and practical application of knowledge through seminar-style classes.

Active student engagement is crucial in this course. Each student is expected to contribute actively during every class session, enhancing their understanding through preparation, discussion, collaboration, and peer learning. This approach not only deepens comprehension but also develops critical thinking and communication skills, which are essential for tackling complex development issues. The seminar format ensures that learning is a dynamic, interactive process where students learn from one another and develop the ability to articulate and defend their ideas effectively.

In addition to fostering active engagement, this course is designed to enhance essential research skills. Students will develop the ability to critically review journal articles, grant proposals and most importantly, explore their own research interests within the development field. This emphasis on research is crucial for students to contribute meaningfully to the field of their interest. Therefore, a significant portion of the evaluation will be based on a research proposal.

<i>Assignment</i>	<i>Total Points</i>	<i>Percentage of Final Grade</i>
Reaction papers	100 each	20%
Presentations	100 each	20%
Empirical Assignments	100 each	20%
Research Proposal	100	20%
Class Engagement	100 each	20%
TOTAL		100%

Research Proposal

This assignment will allow students to identify a research question, justify its importance, and outline a practical approach to investigate it. The proposal will enable students to apply the theoretical knowledge gained in class to real-world issues, preparing them for future academic or professional research endeavors.

Required Textbooks

There is no single text that covers all of the material in the class. Extensive reading lists are provided under each topic, covering literature reviews, theoretical contributions and case study material. Additional reading may be suggested during the lectures.

Relevant/recommended textbooks that cover many of the class topics (in increasing order of technical detail) are:

Taylor, E & T. Lybbert, *Essentials of Economic Development Economics*, RebelText:Berkeley, California, 2020 [T&L].

Master, W. and A. Finaret, *Food Economics: Agriculture, Nutrition and Health*, Springer Link, 2024. [FE]

More technical:

Bardhan, P. and C. Udry (1999), *Development Microeconomics*, Oxford UP [BU].

De Janvry, A. and E. Sadoulet (2016) *Development Economics: Theory and Practice*, Routledge NY. [DJS].

Software: One or more problem sets will require the use of statistical software such as STATA.