

SOSC 3120: Economic Development Division of Social Science, HKUST Spring - Year 2023/2024

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Office Hours: Tuesday 3-4pm

Lecture: Tuesday and Thursday 1:30-2:50pm at Room 2302

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Office Hours: Thursday 3-4pm

Course Description

This course examines the economic situations of low and middle-income economies, considering many important topics in the field of development economics. It addresses questions such as what factors help explain why some countries are rich and others poor, and whether economic policies can affect these factors. We will study key aspects of life for poor households in the developing world, such as inequality, gender, education, health, firms, agriculture, and institutions. Students will also study recent research in the field and examine empirical evidence on these topics.

Intended Learning Outcomes

On completion of the course, students are expected to be able to, at an introductory level:

- demonstrate a comprehensive and well-founded knowledge of economic situations in the developing world.
- identify and explain critical issues in the developing world.
- apply core concepts of economics to critically analyze significant social phenomena and interpret important events related to the developing world.
- analyze the core issues in economic development strategies.

Basic training in economics will be very helpful. Students are encouraged to take SOSC 1440 or equivalent before this course. Although econometrics is not a formal prerequisite, comfort with statistical concepts will be helpful during discussions of empirical evidence.

Course Materials

- Dwight Perkins, Steven Radelet, David Lindauer and Steven Block, *Economics of Development*, 7th Edition, W.W.Norton, 2013. (referred to as Textbook in the reading list)
- (Optional) Abhijit Banerjee and Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, New York, NY, USA: PublicAffairs, 2011.
- (Optional; for students without econometrics background) Joshua Angrist and Jörn-Steffen Pischke, *Mastering Metrics*, Princeton University Press, 2014.

In addition, there will be a supplemental reading list comprising of peer-reviewed papers in the literature. Students will be expected to have read the assigned papers prior to lectures. Most readings will be made available in electronic form on Canvas.

Assessment Tasks/Evaluation Plan

Assessment will be determined by the following formula:

	Percent of Final Grade
Class participation	5%
Referee report	15%
Midterm exam	20%
Policy consulting report	30%
Final exam	30%

- Class attendance and participation: Class attendance is mandatory. You are responsible for all materials presented in lecture. Please make arrangements to get notes from a classmate if you cannot attend lecture. Class participation (e.g., asking questions or answering questions) is also highly recommended.
- Referee report - A referee report should be 2-4 pages long, double spaced. A list of papers for the referee report will be circulated in class during the course of the semester. Some helpful guides on how to write a referee report are available here: <https://www.aeaweb.org/articles?id=10.1257/jep.31.1.231>. Referee report should be submitted through the course website on the due date until 5pm. Late submissions will not be accepted. Due date: March 14th
- Consulting report - Submit an interim progress report (10%) and an in-class presentation (20%) and discussion of a chosen developing country, relating to issues in development economics that we have learned in class. You are to work in groups (group size determined based on class size). Interim report is due on April 12th and presentations are scheduled for the last week of class. More details on the format and content will be announced during the semester.
- Exam policy: The exams will cover materials in the required readings and all material presented in class. Exams will be closed book, closed notes. Programmable calculators, cell phones, PDAs, etc. are prohibited. There will be no make-up exams, except under extreme circumstances and with a note from your Dean. In such cases, you must notify me in advance via email. Otherwise, you will receive a zero score. Midterm exam is scheduled for March 26th during lecture.

Academic Conduct

The University regulations on academic dishonesty will be strictly enforced. Also, please check the University Statement on academic integrity at <https://registry.hkust.edu.hk/resource-library/academic-integrity>.

Other Policies

Please be considerate in class. This means turning off your cell phones (and all other potentially noisy devices) or set it to “silent mode”, limiting conversation to a minimum, and, if necessary, entering/leaving the classroom as quietly as possible. Not doing so creates a negative externality for your fellow students and will not be tolerated.

Course Schedule (tentative and subject to change)

Topic 1. Introduction – Week 1

- What is Economic Development? (Textbook, Ch.1, 2)
- How do we measure development?

Topic 2. Inequality and Poverty – Week 2

- How to measure inequality and poverty? (Textbook, Ch.6)
- What is Gini coefficient?
- How to reduce poverty?

Topic 3. Population, Fertility and Gender – Week 3-4

- What is the global trend in population growth? (Textbook, Ch.7)
- What are the roots to gender inequality?

Topic 4. Education – Week 5-6

- Why invest in education? (Textbook, Ch.8)
- How to improve quality of education?

Topic 5. Health, Income and Behavior – Week 7-8

- How does income determine health, and vice versa? (Textbook, Ch.9)
- Does behavior matter?

Mid-term Exam – March 26th

Mid-term Break – Week 9

Topic 6. Firms and Productivity – Week 10

- What explains the low productivity in developing countries?

Topic 7. Agriculture and Technology Adoption – Week 11

- Why is agriculture important for reducing poverty? (Textbook, Ch.16)
- What are the constraints to agricultural technology adoption?

Topic 8. Environment – Week 12

- How does climate affect economic development, and vice versa?
- When do environmental regulations fail?

Topic 9. Institution – Week 13

- What are the long-run impacts of institutions?
- Do leaders matter?

Student Presentations – Week 14