Course Description

This course intends to cover the major topics in undergraduate-level Development Economics. So-called developing economies have been facing difficult social problems such as population explosion, widespread poverty, double burden of lingering commutable diseases and rising chronic diseases, degradation of natural resources. By utilizing the framework of microeconomics and macroeconomics, we try to tackle these difficult problems as much as we can. Please refer to the syllabus for the details of our course design. The lectures are given in English.

We need to cover a broad range of social issues, so we need 30 lectures. You are supposed to register and attend both Development I and II in the Spring semester. The class starts on April 10 and ends (I will check!). Please find below the topics and the reading lists for each lecture. In the text, for concise exposition, I show the materials only by the name of the author(s) and the year of publication: e.g., Shleifer and Vishny (1993). The details of the referred books and papers are, as usual in academic writing, gathered in the references at the end of this document. During the semester, depending on the progress of lectures, the topics and the reading lists will be gradually filled out.

I use de Janvry and Sadoulet (2016) as the main reference of this class. In addition, we
sometimes refer to the following two textbooks, too: Ray (1998) and Hayami and Godo (2005). All of these three are standard textbooks for upper-division undergraduates.

**Term-2 Final Exam: July 31**

80 minutes. You will have five calculation questions about differentiation. The main question will be the one using the Lagrange method: specifically a version of ‘Number of Kids’ model.

**Term 2: Lecture 13 and 14: July 24 and 25**

**Why small farmers are more productive?**: Risk; Malnutrition in Developing Countries

This week, we SHOULD complete the study of agricultural household model! Then let us have an English reading section. We will browse the topics of malnutrition (not necessarily under-nutrition) with a few long NYT articles. At the end, we will brush up our memory of the Lagrange method with the ‘number of kids model’.

**Required Reading: Several**

1) “Obesity Was Rising as Ghana Embraced Fast Food. Then Came KFC.”
   New York Times, October 2, 2017

2) “In Kenya, and Across Africa, an Unexpected Epidemic: Obesity”
   New York Times, January 27, 2018

3) “One Man’s Stand Against Junk Food as Diabetes Climbs Across India”
New York Times, December 26, 2017

Term 2: Lecture 11 and 12: July 17 and 18

Why small farmers are more productive?: Risk, Malnutrition in Developing Countries

We will complete the study of the agricultural household model. Then we study the malnutrition issues in the current world.

Required Reading for 11th

“Obesity Was Rising as Ghana Embraced Fast Food. Then Came KFC.”

New York Times, October 2, 2017

Term 2: Lecture 9 and 10: July 10 and 11

Rice production in Ghana, Agricultural Household Model: Why small farmers are more productive?

We continue the study on the basic model with the examples from Ghana. Along with the agricultural production, let us read one article about an important issues in many developing countries: obesity.

Required Reading for 11th

“Obesity Was Rising as Ghana Embraced Fast Food. Then Came KFC.”

New York Times, October 2, 2017
Term 2: Lecture 7 and 8: July 3 and 4
Agricultural (Farm) Household Model: Separation Theorem, and some other topics

Along with the model analyses, I will introduce a study on lowland rice cultivation in Ghana.

Suggested Reading
The main reference of Agricultural Household Models is de Janvry and Sadoulet (2016, Ch. 22).

Term 2: Lecture 6: June 27
Special Lecture on the agriculture in the Philippines

Term 2: Lecture 5: June 26
Farm Household Models

Required Reading
“Duterte’s Luster Dulls as Rice Prices Soar in Philippines”

New York Times, October 10, 2018

To prepare for the special lecture on 27, we will read this article today.

Suggested Reading
The main reference of Farm Household Models is de Janvry and Sadoulet (2016, Ch. 22).
Term 2: Lecture 3 and 4: June 19 and 20

Randomized Control Trials on Opportunity Costs of Female Workers, Farm Household Model

We will study why we sometimes need to conduct experiments for establishing cause and effects. Then, finally, I introduce you the main results of Jensen (2012), hopefully along with a few related studies. On the 20th, we will move to the next topic: agriculture in African countries.

Required Reading

“Millennials ‘Make Farming Sexy’ in Africa, Where Tilling the Soil Once Meant Shame”

New York Times, May 27, 2019

Suggested Reading

About RCT (Randomized Control Trials), Agresti, Franklin, and Klingenberg (2017, Ch.4) is a good first read. de Janvry and Sadoulet (2016, pp.153-161) provides you with an excellent summary of the major RCT results in recent development economics. The main reference of Farm Household Models is de Janvry and Sadoulet (2016, Ch. 22).

Term 2: Lecture 1 and 2: June 12 and 13

On June 12, at first, the marked final exams of Term 1 will be returned. Then we will 1) complete the analysis of our couple’s model, 2) think about our model’s implications by referring to a related empirical work: Jensen (2012). In extra time, I will talk about my own research in Nepal.

This week, you have no required readings.
Final Exam: June 6

80 minutes. The detailed contents of the exam will be shown on this website around May 30.

Lecture 15: June 5

Lagrange method and opportunity costs of having kids: Part 2

With the Lagrange method, we will solve a few questions including the couple’s maximization problem in the handout(practice!). Then we will think about our model’s implications by referring to a related empirical work: Jensen (2012).

Lecture 13 and 14: May 29, 30

Lagrange method and opportunity costs of having kids

We derive the formula of the Lagrange method. Then we will learn “what the Lagrange method does in solving constrained optimization problems”. Next, we study “what does the Lagrange represent?” in utility maximization problems. Finally, we will solve the couple’s maximization problem in the handout. If we have extra time, we will think about our model’s implications by referring to the related empirical work: Jensen (2012).

Suggested Reading

Same as the last week. My handout about partial differentiation. Please go to ‘Tips on Economics’ and find out ‘With 3D Graphics, let us tackle on Partial Differentiation’

Lecture 11 and 12: May 22, 23

Is it irrational to have many kids?

First we finish the simple model of "no kids who take care of me ...". This model is taken from Ray (1998, pp.309-311). Then we briefly think about why we need to think with (in) models.
This week we try to understand the Lagrange method. The goal is to solve the simple model on the handout distributed on May 16. We start from scratch: differentiation, then partial differentiation.

**Required Reading**

“China Isn’t Having Enough Babies”: A long article. This is a material for the classes in next week. This is a notice.

New York Times, Feb. 26 2019


**Suggested Reading**

My handout about partial differentiation. Please go to ‘Tips on Economics’ and find out ‘With 3D Graphics, let us tackle on Partial Differentiation’

**Lecture 9 and 10: May 15 and 16**

Why poverty is bad?, Population: Is it irrational to have many kids?

Why poverty is bad? Now a growing body of literature, which combines economics and psychology, shows some reasons (Mani et al. 2013; Haushofer and Fehr 2014). We review some of these new studies. Then we move to a new topic: population growth.

**Required Reading:**

1) “Heat, Hunger and War Force Africans Onto a ‘Road on Fire’”


2) “China Isn’t Having Enough Babies”: A long article. This is a material for the classes in next week. This is a notice.

   New York Times, Feb. 26 2019


   Suggested (not required) Reading:
   About the problems caused by being (or becoming) poor, de Janvry and Sadoulet (2016, pp.242-243).

Lecture 7 and 8: May 8 and 9

How to identify (define) the poor?

We begin to study the issues about poverty and vulnerability. Our goal is to learn that poverty is difficult to define and measure... Poverty may cause poverty....

Homework

From the Website of the World Bank, on two low-income or lower-middle-income countries of your interest, please obtain the most RECENT numbers of

   1. Poverty headcount ratio at $1.90 a day (2011 PPP)

   2. Poverty gap at $1.90 a day (2011 PPP)

Required Reading

“Bleak Portrait of Poverty Is Off the Mark, Experts Say”


A bit old but still worth reading.
Suggested (not required) Reading:


Note

The “how light-filled the area” paper I introduced last time was Henderson, Storeygard, and Weil (2012).

Lecture 5 and 6: April 24 and 25

Complications in PPP, Engel’s Law, Miracle by Growth, Bad Statistics

First, I will answer the question about an index-number problem in bilateral PPP, then complete my explanation about the complications in PPP. My discussion here is based on Almas (2012) (an academic paper, no need to read). We will move to the topics of growth rates, and not-reliable economic statistics in many countries (and how to improve them).

Required Readings

“How to calculate growth rates with e” (from my website)

(Due to the changes in the web address of the university, “clicks” on the link above does not work. Please go to “KEIZAIGAKU MAMECHISHIKI” and goes to “e . . .” document, or type the url above on your internet explorer.

In addition, sorry this document is still in Japanese. To save time, I do not explain this handout. Please raise questions in the class if you cannot understand any parts of this handout.)
Suggested (not required) Reading:
About non-reliable statistics, Jerven (2013) is a well-known reference. There is a translated version of this book, too.

Lecture 3 and 4: April 17 and 18
Income Disparity in the current World: again
I am sorry I did not do much on April 11. This week, we will at least finish PPP and will move on to the topic ‘How to define the poor individuals’.

Required Readings
“The Big Mac Index” Economist, January 10, 2019
(on April 12, 2019, I could access to this page)

Suggested (not required) Reading:

Lecture 2: April 11
Income Disparity in the current World
The main goal of today’s lecture is to understand the idea of PPP and its limitations. You can find concise explanations for PPP in major text books of macroeconomics and development economics:, e.g., Ray (1998, Ch. 2, 3). My lecture on the limitations of PPP depends on Almas (2012) (an academic paper. You are not expected to read this article).

Homework
From the website of the World Bank (https://data.worldbank.org/indicator/), for the two coun-
tries in which you are interested, obtain GNI per capita, Atlas Method (Current US$), and GNI per capita, PPP (current international $) in 2017 and 2000, and if you can find in 1990.

**Suggested (not required) Reading:**
de Janvry and Sadoulet (2016, Ch.1).

**Lecture 1: April 10**

**Introduction**

I will outline this course, in particular, its goals. Grading system of this course will be explained in detail. Then I begin the class of this semester by an explanation on the idea of development (what is the main difference between economic development and economic growth?). No required reading this time.

**Suggested (not required) Reading:**
de Janvry and Sadoulet (2016, Ch.1).

**References**


