



## *The Hebrew University of Jerusalem*

### *Syllabus*

## ***ECONOMICS OF GROWTH AND DEVELOPMENT - 71163***

*Last update 03-11-2024*

*HU Credits:* 3

*Degree/Cycle:* 2nd degree (Master)

*Responsible Department:* Environmental Economics & Management

*Academic year:* 0

*Semester:* 2nd Semester

*Teaching Languages:* English

*Campus:* Rehovot

*Course/Module Coordinator:* Dr. Avraham Ebenstein

*Coordinator Email:* [Avraham.Ebenstein@mail.huji.ac.il](mailto:Avraham.Ebenstein@mail.huji.ac.il)

*Coordinator Office Hours:* Sunday 15:00-16:00

*Teaching Staff:*

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Dr. Avraham Ebenstein

Course/Module description:

Developing countries share a common set of challenges. These include issues related to human capital formation, household savings and investment, fertility and population, pollution, and health. In this course, we will examine each of these themes through lectures and by focusing on a series of classic papers in the field. Students will also engage in a series of applied econometric exercises that will expose participants to important techniques used by modern scholars of development economics.

Course/Module aims:

The course objectives are:

1. Expose students to core concepts in the field of development economics.
2. Provide the tools to analyze research papers in development economics.
3. Gain the skills necessary to analyze data and produce publicationworthy tables and figures found in scholarly journals in economics.

Learning outcomes - On successful completion of this module, students should be able to:

1. Understand core concepts in development economics.
2. Identify strengths and weaknesses of important papers in the field.
3. Analyze data, run regressions, and put the results into figures and tables that are at a professional level of presentation.

Attendance requirements(%):

100

*Teaching arrangement and method of instruction: The course will consist of in-class lectures given by me, several sessions of data exercises in a computer lab, and several in-class presentations by students.*

Course/Module Content:

Week 1 - Intro  
Week 2 - Growth Concepts  
Week 3 - Growth Theories  
Week 4 - States and Markets  
Week 5 - Institutions

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Week 6 – Inequality and Poverty  
Week 7 – Population  
Week 8 – Education (SKIP)  
Week 9 – Health  
Week 10 – Microfinance  
Week 11 – Trade and Development  
Week 12 – Foreign Aid  
Week 13 – Environment (SKIP)

Required Reading:

1. United Nations Development Programme, "Defining and Measuring Human Development," Human Development Report, 1990. United Nations Development Programme, "Defining and Measuring Human Development," Human Development Report, 1990, [hdr.undp.org/en/media/hdr\\_1990\\_en\\_chap1.pdf](http://hdr.undp.org/en/media/hdr_1990_en_chap1.pdf).
2. Kelley, "The Human Development Index: Handle with Care," *Population and Development Review* 17 (June 1991), pp. 315-24.  
<http://www.jstor.org/discover/10.2307/1973733?uid&eq;3738240&uid&eq;2134&uid&eq;2&uid&eq;70&uid&eq;4&sid&eq;21101147085743>
3. M. Clemens and T. Moss, "What's wrong with the Millennium Development Goals?"  
CGD Brief (September 2005);
4. "Measuring Economies." *Economist Magazine*, May 27, 2004.
5. Stiglitz, Joseph. "Good Numbers Gone Bad." *Fortune*, October 2006.
6. C. Graham, "Happy Peasants and Miserable Millionaires," *Brookings Institution* (Jan. 30, 2010);  
[http://www.brookings.edu/opinions/2010/0130\\_happiness\\_graham.aspx](http://www.brookings.edu/opinions/2010/0130_happiness_graham.aspx)
7. L. Pritchett, "Divergence, Big Time," *Journal of Economic Perspectives* (Summer 1997), pp. 317.
8. S. Radelet, "Emerging Africa: How 17 African Countries are Leading the Way,"  
CGD Brief (September 2010);  
[http://www.cgdev.org/files/1424419\\_file\\_EmergingAfrica\\_FINAL.pdf](http://www.cgdev.org/files/1424419_file_EmergingAfrica_FINAL.pdf)
9. J. Diamond, "Why Did Human History Unfold Differently on Different Continents For The Last 13,000 Years?"  
[http://www.edge.org/3rd\\_culture/diamond/diamond\\_p2.html](http://www.edge.org/3rd_culture/diamond/diamond_p2.html)
10. J. Sachs, "Institutions Matter, but Not for Everything," *Finance & Development* (June 2003), pp. 3841.  
<http://www.imf.org/external/pubs/ft/fandd/2003/06/pdf/sachs.pdf>
11. C. PagesSerra,  
ed., "Executive Summary," *The Age of Productivity: Transforming Economies from the Bottom Up* (IDB, 2010), pp. 116;  
[http://www.iadb.org/research/dia/2010/summary/DIA\\_booklet\\_eng.pdf](http://www.iadb.org/research/dia/2010/summary/DIA_booklet_eng.pdf)
12. *The Economist*, "The road to hell is unpaved," (Dec. 19, 2002).
13. W. Easterly, "Aid for Investment," *The Elusive Quest for Growth* (MIT: 2001), pp.

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14. "The Growth of Growth Theory." *Economist Magazine*, May 18, 2006.
  15. J. Williamson, "The Washington Consensus Revisited," *Economic and Social Development into the XXI Century*, L. Emmerij, ed. (IDB: 1997), pp.4869.
  16. D. Lindauer and L. Pritchett, "What's the Big Idea? The Third Generation of Policies for Economic Growth," *Economia* (Fall 2002), pp. 118.
  17. D. Rodrik, "Goodbye Washington Consensus, Hello Washington Confusion?" *Journal of Economic Literature* (December 2006), pp. 973987.
  18. N. Birdsall, D. Rodrik and A. Subramanian, "How to Help Poor Countries," *Foreign Affairs* (July/August 2005).
  19. Acemoglu, Johnson, and Robinson. "The Colonial Origins of Comparative Development." *American Economic Review*, December 2001
  20. D. Acemoglu, "Root Causes," *Finance & Development* (June 2003), pp. 2730. <http://www.imf.org/external/pubs/ft/fandd/2003/06/pdf/Acemoglu.pdf>
  21. Nunn, Nathan and Wantchekon, "The Slave Trade and the Origins of Mistrust." *American Economic Review* (December 2011)
  22. *The Road to Riches.* *Economist Magazine*, Millennium ed., 1999.
  23. "Roots of Development." *Economist Magazine*, Oct. 3, 2002.
  24. Friedman, Milton. *The Relation between Economic Freedom and Political Freedom, in Capitalism and Freedom.* University of Chicago Press, Chicago, 1962.
  25. "Poverty and the Ballot Box: Why are poor democracies not better at ending poverty?" *Economist Magazine*, May 12, 2005.
  26. A. Deaton, "Measuring Poverty," *Understanding Poverty*, ed. A. Banerjee (Oxford: 2006)
  27. *The Economist*, "The mountain man and the surgeon," (December 20, 2005).
  28. *Catching Up.* *Economist Magazine*, Aug. 21, 2003.
  30. Pritchett, Lant, "Desired Fertility and the Impact of Population Policies," Manuscript. <http://ideas.repec.org/p/wbk/wbrwps/1273.html>
  31. Ronald Lee, "The Demographic Transition: Three Centuries of Fundamental Change," *Journal of Economic Perspectives*, Vol. 17, No. 4. (Autumn, 2003), pp. 167190 <http://links.jstor.org/sici?sici&eq;08953309%282003223%2917%3A4%3C167%3ATDTTCO%3E2.0.CO%3B20>
  32. J. Tierney, "Fanisi's Choice," *Science* 86, (Jan/Feb 1986), pp. 2642. (eR)
  33. B. Easterly, "Cash for Condoms," *The Elusive Quest for Growth* (MIT: 2001), pp. 8799. (eR)
  34. A Banerjee and E. Duflo, "Pak Sudarno's Big Family," *Poor Economics* (Public Affairs: 2011), pp. 10329. (eR)

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35. "Does Population Matter." *Economist Magazine*, Dec. 5, 2002.
36. Duflo, Esther. "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review* 91, No. 4 (September 2001): 795-813.
37. M. Kremer et al., "Teacher Absence in India: A Snapshot," *Journal of the European Economic Association* (April-May 2005), pp. 658-667. (eR)
38. A. Banerjee and E. Duflo, "Addressing Absence," *Journal of Economic Perspectives* (Winter 2006), pp. 117-132.
39. Bleakley, Hoyt. "Disease and Development: Evidence from Hookworm Eradication in the American South," *Quarterly Journal of Economics* 112, No. 1 (February 2007): 73-117.
40. Miguel, Edward and Kremer, Michael (2004). "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities," *Econometrica*, pp 1592-17.
41. Jishnu Das, Jeffrey Hammer, and Kenneth Leonard. 2008. "The Quality of Medical Advice in Low Income Countries." *Journal of Economic Perspectives* 22 (2). Spring: 93-114.
42. Deon Filmer, Jeffrey S. Hammer, and Lant H. Pritchett (2002). "Weak Links in the Chain II: A Prescription for Health Policy in Poor Countries," *World Bank Research Observer* 17: 47-66. [<http://wbpro.oupjournals.org/cgi/reprint/17/1/47.pdf>]
43. Abhijit Banerjee, Angus Deaton, and Esther Duflo, 2004. "Wealth, health, and health services in rural Rajasthan," *Poverty Action Lab Paper No. 8*, May.
44. Banerjee, Abhijit and Esther Duflo, "A Miracle of Microfinance? Evidence from a Randomized Evaluation." 2009.
45. A. Banerjee and E. Duflo, "The Men from Kabul and the Eunuchs from India: The (Not so) Simple Economics of Lending to the Poor," *Poor Economics (Public Affairs: 2011)*, pp. 15-82.
46. M. Yunus, "Ending Global Poverty," (Sept. 14, 2005) <http://video.mit.edu/watch/muhammadyunusendingglobalpoverty9957/>
47. Hernando de Soto, "Globalization: Breaking Barriers to Participation," (Feb. 19, 2004); <http://www.iop.harvard.edu/MultimediaCenter/AllVideos/GlobalizationBreakingBarrierstoParticipation2>
48. P. Collier, "The Natural Resource Trap," *The Bottom Billion* (Oxford, 2007), pp. 38-52.
49. David Dollar and Aart Kraay. 2001. "Growth Is Good for the Poor." *Journal of Economic Growth*.
50. Edmund Amaan, Nektarios Aslanidis, Frederick Nixon, Bernard Walters. 2002. "Economic Growth and Poverty Alleviation: A

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reconsideration of Dollar and Kraay." Paper presented at the European Association of Development Institutes.

51. J. Sachs, "Can Extreme Poverty Be Eliminated?" *Scientific American* (Sept. 2005), pp. 5665.

52. William Easterly, 2003. "Can Foreign Aid Buy Growth?" *Journal of Economic Perspectives*, 17(3), Summer: 23-4.

53. W. Easterly, "The Big Push Déjà Vu: A Review of Jeffrey Sachs's *The End of Poverty: Economic Possibilities for Our Time*,"

*Journal of Economic Literature* (March 2006), pp. 96105.  
(eR)

54. S. Chayes, "Scents & Sensibility," *The Atlantic* (December 2007).

55. N. Kristof, "Aid: Can It Work?," *The New York Review of Books* (October 5, 2006)  
<http://www.nybooks.com/articles/19374>

56. Solow, Robert M. "Sustainability: An Economist's Perspective," in Stavins (editor), *Economics of the Environment: Selected Readings*, 4th Edition, 2000, Ch. 5, pp. 131138.

(Chapter 5 in EESR). Original article from 1991.

57. Chen, Yuyu, Avraham Ebenstein, Michael Greenstone, and Hongbin Li. 2013.

"Evidence on the Impact of Sustained Exposure to Air Pollution from China's Huai River Policy." *Proceedings of the National Academy of Sciences USA* August 6th; 1293641.

#### Additional Reading Material:

#### Grading Scheme:

Essay / Project / Final Assignment / Home Exam / Referat 35 %  
Presentation / Poster Presentation / Lecture/ Seminar / Pro-seminar / Research proposal 25 %  
Active Participation / Team Assignment 10 %  
Submission assignments during the semester: Exercises / Essays / Audits / Reports / Forum / Simulation / others 30 %

#### Additional information: