Brandeis University
Spring 2008

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Office Hours: TBA

# HOUSEHOLD, HEALTH, AND HUNGER IN LESS DEVELOPED COUNTRIES

## OVERVIEW

This course will examine various aspects of poverty and nutrition that are faced by households in developing countries. We will explore the economic foundations that underlie investments in infant and child health, the determinants of fertility, household formation, and decision-making within households. An important focus of this course will be a discussion of how households in developing countries cope with risk. In the process of analyzing optimal decision-making in the face of credit constraints and unexpected weather shocks, we will study the importance of savings, implicit contracts, and reputation effects. Most of these issues will be examined from a microeconomic perspective, although some aggregate angles will be pursued as well.

This course is designed to strengthen a student's knowledge of the process of development at the individual and household level. It builds on the introductory class in economic development by applying the classical theories to real world situations and problems. The course aims at highlighting unique features of life in developing countries, and the often-unconventional solutions that need to be adopted to circumvent everyday problems. An important pedagogical tool of this course will be assigned readings from various economic journals. This will serve to familiarize students with recent advances in the development related areas of the discipline, and acquaint them with the techniques necessary for critically evaluating models and other theoretical concepts.

**Intermediate Microeconomics (ECON 80A) is a prerequisite for this course. This course is not recommended for students who have yet to take Statistics (ECON 83A). Familiarity with basic concepts in Econometrics (ECON 184B) is also recommended, although not required.**

## REQUIREMENTS

Course requirements include mandatory attendance at lectures, timely completion of assigned readings, problem sets, a 10-15 pages research paper, in-class presentation, a midterm, and a final exam. Six problem sets will be assigned. **No late problem sets will be accepted**.

**No makeup exams** will be offered during the semester unless a student is forced to miss scheduled midterm exams due to documented serious illness or bereavement. A student who is unable to take the final examination for a legitimate reason must obtain advance authorization from the Office of Undergraduate Academic Affairs.

The weighting scheme for course requirements is as shown below:

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|---|---|
| Final Exam | 30% |
| Midterm Exam | 25% |
| Research Paper | 20% |
| In-class Presentation | 10% |
| Problem Sets | 15% |

## IMPORTANT DATES

**Exams**: Midterm Exam –
Final Exam –

**Paper**: Due in class on

**Presentations**: In class on

**Problem Sets**: Problem Set 1 –
Problem Set 2 –
Problem Set 3 –
Problem Set 4 –
Problem Set 5 –
Problem Set 6 –

## TEXTBOOK

Required: *The Economics of Development* by Perkins, et. al.
Readings from journal articles will be posted on Webct, or available from JSTOR.

Reference: *Development Economics* by Debraj Ray.
You do not need to purchase this textbook, referenced chapters will be placed on reserve in the library.

## SPECIAL ACCOMMODATION

If you are a student with a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class, please see me immediately. Please keep in mind that reasonable accommodations are not provided retroactively.

## ACADEMIC HONESTY

You are expected to be familiar with and to follow the University's policies on academic integrity (see http://www.brandeis.edu/studentlife/sdje/ai/). Instances of alleged dishonesty will be forwarded to the Office of Campus Life for possible referral to the Student Judicial System. Potential sanctions include failure in the course and suspension from the University. If you have any questions about my expectations, please ask.

**Academic dishonesty will not be tolerated and will be vigorously prosecuted.**

## OUTLINE OF LECTURES AND RECOMMENDED READINGS

### : INTRODUCTION

*Introduction* – Perkins et. al., Chapter 1- Terminology, growth & development, approaches to development.

### : INCOME LEVELS AND ECONOMIC GROWTH

*Economic Growth: Theory and Empirical Patterns* – Perkins et. al., Chapter 2 – Income levels and Economic growth, Harrod-Domar growth model, Solow growth model.

**: POVERTY AND INEQUALITY MEASURES**

*Structural Change* – Perkins et. al., Chapter 3 – Two sector models, empirical approaches.

*Development and Human Welfare* – Perkins, et. al., Chapter 4 – Income distribution, poverty and Inequality measures.

**: FOOD DEMAND, NUTRITION, AND HEALTH**

*Health and Nutrition* – Perkins et. al., Chapter 10 – Health in developing countries, malnutrition.

Journal articles: Pitt, Mark, "Food Preferences and Nutrition in Rural Bangladesh," Review of Economics and Statistics, February 1983, 105-114.

Pitt, Mark, and Mark Rosenzweig, "Health and Nutrient Consumption Across and Within Farm Households," Review of Economics and Statistics, May 1985, 212-223.

Thomas, Duncan and John Strauss, "Child Survival, Height for Age and Household Characteristics in Brazil," Journal of Development Economics, 1990, 197-234.

**: MIGRATION AND THE LABOR MARKET**

*Labor's Role* – Perkins et. al., Chapter 8 – Migration, labor absorption through industrialization.

*Labor* – Ray, Chapter 13 – Poverty, nutrition and labor markets.

**: MIGRATION AND THE LABOR MARKET**

Journal articles: Bliss, Christopher and N.H. Stern, "Productivity, Wages and Nutrition, Part I," Journal of Development Economics, 1978, 331-398.

Strauss, John, "Does Better Nutrition Raise Farm Productivity?" Journal of Political Economy, April 1986, 297-320.

**: HUMAN CAPITAL AND NON-MARKET INVESTMENTS**

*Population* – Perkins et. al., Chapter 7 – Investment in children.

Journal article: Rosenzweig, Mark R., "Population Growth and Human Capital Investments: Theory and Evidence," Journal of Political Economy, October 1990 (supplement), S38-S70.

**: HUMAN CAPITAL AND NON-MARKET INVESTMENTS AND CREDIT MARKETS**

Journal article: Pitt, Mark M., Mark R. Rosenzweig and Donna Gibbons, "The Determinants and Consequences of the Placement of Government Programs in Indonesia." World Bank Economic Review, September 1993, 319-348.

*Credit* – Ray, Chapter 14 – Rural credit markets, theories of informal credit markets.

**: CREDIT AND INSURANCE MARKETS**

*Insurance* – Ray, Chapter 15 – The perfect insurance model, limits to insurance.

Journal article: Rosenzweig, Mark R., "Risk, Implicit Contracts and the Family in Rural Areas of Low-Income Countries," Economic Journal, December 1988.

**: CREDIT AND INSURANCE MARKETS**

Journal articles: Pitt, Mark M. and Shahidur R. Khandker, "The Impact of Group-Based Credit on Poor Households in Bangladesh: Does the Gender of Participants Matter?" Journal of Political Economy, October 1998.

Eswaran, Mukesh, and Ashok Kotwal, "Implications of Credit Constraints for Risk Behavior in Less Developed Economies," Oxford Economic Papers, 1990, 473-482.

**: LEARNING**

*Education* – Perkins, et. al., Chapter 9 – Types of learning.

Journal articles: Foster, Andrew, and Mark Rosenzweig, "Learning by Doing and Learning from Others: Human Capital and Technical Change in Agriculture," Journal of Political Economy, 1995, 1176-1209.

Besley, Timothy, and Case, Anne, "Modeling Technology Adoption in Developing Countries," American Economic Review, 1993, 396-402.

**: PROGRAM EVALUATION**

Journal articles: Pitt, Mark, and Nidhiya Menon, "An Instrumental Variables Estimation of Nonrandom Program Placement in Indonesia," Working Paper, Brown University, 2002.

Menon, Nidhiya, "Consumption Smoothing in Micro Credit Programs," Manuscript, Brandeis University, June 2004.

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