BOEC0380 - Global Policy Analysis: Poverty, Development, Growth

Instructor

Dina Pomeranz

Email: dina.pomeranz@econ.uzh.ch
Office hours: by appointment

Teaching Assistant and Section Times

Luca Bagnato

Email: luca.bagnato@econ.uzh.ch

Office hours: Thursday 10:30-11:30, SOF E02

Time and Location

Lecture: Tuesday 16:15-18:00, SOD-1-101 Exercise session: Wed 16:15-18:00, KOL-G-209

Course Description

This course has two primary objectives: First, it provides students with a solid overview of what we know about key topics of global development, such as the trends in poverty around the world, inequality, access to education and healthcare, international migration, world hunger and population growth. Second, it equips students with tools to critically assess statistical claims and analysis about these issues of global development, by providing an introduction to commonly used empirical methods. In other words: how to spot when someone lies with data? Students will have some opportunities to try out these methods themselves in a hands-on way.

Grading

Item	Points
Problem sets (best 6 out of 7)	20%
Final Exam	80%

Problem sets will be due on Mondays March 5th, 12th, 26th, April 16th, May 7th, 14th, and May 28th at 22:00 at the latest in Luca's email. The content of the problem sets will be posted on Tuesdays of the preceding week and discussed in the exercise session.

You can work in groups (of up to 4 students) but each student should submit the problem set separately.

The final exam will include questions concerning the required readings, the material in the slides, and the materials covered in problem sets.

Class Policies

Please be advised that the use of laptops, smartphones, etc. is not allowed during classes.

Lecture slides will be posted on OLAT on Monday nights before the lecture at 22:00 at the latest. In case we miss that deadline, we will bring printouts to the class.

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Schedule and Topics (preliminary, subject to changes)

#	Date	Lectures
1	20/02	Course Introduction
2	27/02	Global Poverty Measures I
3	06/03	Global Poverty II and Inequality
4	13/03	Population Growth
5	20/03	Health I & Introduction to Randomized Controlled Trials (RCTs)
6	27/03	Health II & Introduction to Difference-in-Differences Analysis
7	10/04	Education & Comparison of Impact Evaluation Methods
8	17/04	Corruption, Democracy, Institutions
9	24/04	Colonialism, Power and Political Economy of Development
10	08/05	Aid & Impact Measurement
11	15/05	Taxation
12	22/05	Migration
13	29/05	Business Development

Reading List

Since this is a new class, the readings will be selected progressively throughout the semester based on the experience of the early classes and class interests. Readings will be listed/uploaded at the latest one week before every class.

The required readings are in bold. It is recommended to read them before the class and they will be part of the materials covered in the exam. The other readings are optional for those who are interested in further learning. Two sources of material that will appear frequently in the reading lists are chapters from the book "The Economics of Poverty: History, Measurement and Policy" (2016) and from the website www.ourworldindata.org.

At the beginning of the reading list there are also a few books for further reading that might be of interest to some of you and are very related to the course content.

Suggested Additional Books for Further Reading

On empirical methods:

- Mastering 'Metrics, Angrist, Joshua D., & Pischke, Jörn-Steffen (2014). Princeton University Press.
- Running Randomized Evaluations: a Practical Guide, Glennerster, Rachel, & Takavarasha, Kudzai (2013). Princeton University Press.
- Randomistas: How Radical Researchers Are Changing Our World, Leigh, Andrew (2018). Yale University Press.

On development economics

- Poor Economics: a Radical Rethinking of the Way to Fight Global Poverty, Banerjee, Abhijit, and Esther Duflo (2011). Public Affairs.
- *More than Good Intentions. How a New economics is Helping to Solve Global Poverty*, Karlan, Dean, and Jacob Appel (2011). Dutton, New York.
- Development as Freedom, Sen, Amartya (2001). Oxford Paperbacks.
- Factfulness: Ten Reasons We're Wrong About the World and Why Things Are Better than You Think, Rosling, Hans, Rosling, Ola and Anna Rosling Rönnlund (2018). Flatiron Books, New York.

On effective altruism

• Doing Good Better: Effective Altruism and a Radical New Way to Make a Difference, MacAskill, William (2015). Guardian Faber Publishing.

Lecture 1, February 20th: Course Introduction

- *The Economic Lives of the Poor*, Banerjee, Abhijit and Esther Duflo (2007). *Journal of Economic Perspectives* 21.1: 141-167. https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.21.1.141
- See How the Rest of the World Lives, Organized by Income, Rosling Rönnlund, Anna (2017). TED Talk.
 - https://www.ted.com/talks/anna_rosling_ronnlund_see_how_the_rest_of_the_world_lives_orga_nized_by_income
- *The Danger of a Single Story*. Adichie, Chimamanda (2009). *TED Talk*. https://www.ted.com/talks/chimamanda_adichie_the_danger_of_a_single_story/transcript

Lecture 2, February 27th: Global Poverty Measures I

• Extreme Poverty (Sections I, II, III, V), Our World in Data. https://ourworldindata.org/extreme-poverty

- What Are PPP Adjustments and Why Do We Need Them?, Our World in Data. https://ourworldindata.org/what-are-ppps
- *The Danger of a Single Story*. Adichie, Chimamanda (2009). *TED Talk*. https://www.ted.com/talks/chimamanda_adichie_the_danger_of_a_single_story/transcript
- The Economics of Poverty: History, Measurement, and Policy (Chapters 3.1, 4), Ravallion, Martin (2015). Oxford University Press.

Lecture 3, March 6th: Global Poverty II and Inequality

- World Inequality Report (2018) (Parts 4.1,4.2: pages 196-211), Alvaredo, Facundo; Chanel, Lucas; Piketty, Thomas; Saez, Emmanuel; Zucman, Gabriel (2017). http://wir2018.wid.world/files/download/wir2018-full-report-english.pdf
- *Income Inequality* (Sections I.1-I.4, II.1, II.3, III), Our World in Data. https://ourworldindata.org/income-inequality
- Global Economic Inequality (Sections I.1-I.4), Our World in Data. https://ourworldindata.org/global-economic-inequality
- World Inequality Report (2018) (Executive Summary: pages 7-20; Part II Trends in Global Income Inequality: pages 38-152), Alvaredo, Facundo; Chanel, Lucas; Piketty, Thomas; Saez, Emmanuel; Zucman, Gabriel (2017). http://wir2018.wid.world/files/download/wir2018-full-report-english.pdf
- Die Verteilung von Einkommen und Vermögen in der Schweiz. Foellmi, Reto & Martinez, Isabel Z (2017). UBS Center Public Paper 6.
 https://www.ubscenter.uzh.ch/assets/publicpapers/PP6_Verteilung_von_Einkommen_und_Vermoegen.pdf
- *Happiness and Life Satisfaction*, Our World in Data. https://ourworldindata.org/happiness-and-life-satisfaction
- *Incomes Across the Distribution*, Our World in Data. https://ourworldindata.org/incomes-across-the-distribution
- The Size of the Poverty Gap: Some Hints Regarding the Cost of Ending Extreme Poverty, Our World in Data. https://ourworldindata.org/size-poverty-gap
- New Thoughts on Capital in the Twenty-first Century, Piketty, Thomas (2014). TED Talk. https://www.ted.com/talks/thomas_piketty_new_thoughts_on_capital_in_the_twenty_first_century?
- The Economics of Poverty: History, Measurement, and Policy (Chapter 5.1-5.3, 5.8), Ravallion, Martin (2015). Oxford University Press.

Lecture 4, March 13th: Population Growth

- "Life Expectancy" What Does this Actually Mean?, Our World in Data. https://ourworldindata.org/life-expectancy-how-is-it-calculated-and-how-should-it-be-interpreted
- When Will the World Reach 'Peak Child'?, Our World in Data. https://ourworldindata.org/peak-child
- World Population Growth (Sections I and II), Our World in Data. https://ourworldindata.org/world-population-growth
- *Population Policies and Fertility Convergence*, de Silva, Tiloca and Tenreyro, Silvana (2018). *VoxDev*. https://voxdev.org/topic/health-education/population-policies-and-fertility-convergence
- World Population Prospects: The 2015 Revision, Key Findings and Advance Tables, United Nations, Department of Economic and Social Affairs, Population Division (2015). Working Paper No. ESA/P/WP.241.
 - https://esa.un.org/unpd/wpp/Publications/Files/Key_Findings_WPP_2015.pdf
- *DON'T PANIC Hans Rosling Showing the Facts about Population*, Rosling, Hans (2014). Video. https://www.youtube.com/watch?v=FACK2knC08E&t=213s

Lecture 5, March 20th: Health I & Introduction to Randomized Controlled Trials (RCTs)

Health

- Child Mortality (Sections I.1-I.3, I.6, I.11, II.1), Our World in Data. https://ourworldindata.org/child-mortality
- Famines (Section I.1), Our World in Data. https://ourworldindata.org/famines
- Hunger and Undernourishment (Sections I.1-I.5), Our World in Data. https://ourworldindata.org/hunger-and-undernourishment
- What Does a Famine Declaration Declare?, Our World in Data. https://ourworldindata.org/what-does-a-famine-declaration-declare

RCT

- Impact Evaluation Methods in Public Economics: a Brief Introduction to Randomized Evaluations and Comparison with Other Methods (Sections 1 and 2), Pomeranz, Dina (2017). Public Finance Review, 45(1):10-43
 https://www.zora.uzh.ch/id/eprint/136558/1/Pomeranz_Impact-Evaluation-Methods-final.pdf
- *Using randomization in development economics research: A toolkit*, Duflo, Esther, Rachel Glennerster, and Michael Kremer. *Handbook of Development Economics* 4 (2007): 3895-3962. http://www.sciencedirect.com/science/article/pii/S1573447107040612
- *Introduction to Evaluation*, Abdul Latif Jameel Poverty Action Lab. Cambridge, MA. https://www.povertyactionlab.org/sites/default/files/resources/Introduction-to-Evaluations.pdf
- *Social Experiments to Fight Poverty*, Duflo, Esther (2010). *TED Talk*. https://www.ted.com/talks/esther_duflo_social_experiments_to_fight_poverty
- Do Conditional Cash Transfers Improve Child Health? Evidence from PROGRESA's Control Randomized Experiment, Gertler, Paul (2004). American Economic Review, 94 (2): 336-341. https://pubs.aeaweb.org/doi/pdfplus/10.1257/0002828041302109

Lecture 6, March 27th: Health II & Introduction to Difference-in-Differences Analysis

Health

- Deworming: A Best Buy for Development, Abdul Latif Jameel Poverty Action Lab. J-PAL Policy Bulletin (2012). Cambridge, MA.
 - https://www.povertyactionlab.org/sites/default/files/publications/2012.3.22-Deworming.pdf
- Cleaner Water at the Source, Abdul Latif Jameel Poverty Action Lab. J-PAL Policy Bulletin (2012). Cambridge, MA.
 - https://www.povertyactionlab.org/sites/default/files/publications/2012.08.30_Spring_Cleaning_0.pdf
- Free Malaria Bednets, Innovation for Poverty Actions. https://www.poverty-action.org/printpdf/14931
- *Social Experiments to Fight Poverty*, Duflo, Esther (2010). *TED Talk*. https://www.ted.com/talks/esther_duflo_social_experiments_to_fight_poverty
- Disease and Development: Evidence from Hookworm Eradication in the American South, Hoyt Bleakley (2007). The Quarterly Journal of Economics, Volume 122 (1), 73–117. https://academic.oup.com/qje/article/122/1/73/1924773
- Worms: Identifying Impacts on Education and Health in the Presence of Treatment
 Externalities, Miguel, Edward, & Kremer, Michael (2004). Econometrica, 72(1), 159-217.
 http://cega.berkeley.edu/assets/cega_research_projects/1/Identifying-Impacts-on-Education-and-Health-in-the-Presence-of-Treatment-Externalities.pdf
- Free Distribution or Cost-Sharing? Evidence from a Randomized Malaria Prevention Experiment, Cohen, Jessica & Pascaline Dupas (2010). The Quarterly Journal of Economics, Volume 125, Issue 1, 1 February 2010, Pages 1–45. https://doi.org/10.1162/qjec.2010.125.1.1
- Spring Cleaning: Rural Water Impacts, Valuation, and Property Rights Institutions, Kremer,

Michael; Jessica Leino; Edward Miguel; Alix Peterson Zwane (2011). *The Quarterly Journal of Economics*, Volume 126, Issue 1, 1 February 2011, Pages 145-205. https://doi.org/10.1093/qje/qjq010

Difference-in-differences

- Impact Evaluation Methods in Public Economics: a Brief Introduction to Randomized Evaluations and Comparison with Other Methods (Sections 3 to 8), Pomeranz, Dina (2017). Public Finance Review, 45(1):10-43 https://www.zora.uzh.ch/id/eprint/136558/1/Pomeranz_Impact-Evaluation-Methods-final.pdf
- The Digital Provide: Information (Technology), Market Performance, and Welfare in the South Indian Fisheries Sector, Jensen, Robert (2007). The Quarterly Journal of Economics 122.3: 879-924. https://web.stanford.edu/class/comm1a/readings/jensen-digital-divide.pdf

Lecture 7, April 10th: Education & Comparison of Impact Evaluation Methods

- Global Rise of Education (Sections I.1-I.3), Our World in Data. https://ourworldindata.org/global-rise-of-education
- Increasing Test Score Performance, Abdul Latif Jameel Poverty Action Lab. Cambridge, MA. https://www.povertyactionlab.org/policy-lessons/education/increasing-test-score-performance
- World Development Report 2018: Learning to Realize Education's Promise (Overview: first part, pages 3-16), World Bank. 2018. Washington, DC: World Bank. http://www.worldbank.org/en/publication/wdr2018
- World Development Report 2018: Learning to Realize Education's Promise, World Bank. 2018. Washington, DC: World Bank. http://www.worldbank.org/en/publication/wdr2018

Lecture 8, April 17th: Corruption, Democracy, Institutions

- Corruption (Section I; Sub-sections from Section II: "Where is perceived corruption highest?"; "Where are people more likely to pay bribes to access public services?"; "How does petty corruption affect the income of the poor?"; "Where are firms more likely to be asked for bribes?"; from Section IV: "Definition"; "Measurement Limitations"), Our World in Data. https://ourworldindata.org/corruption
- Democracy (Section I), Our World in Data. https://ourworldindata.org/democracy
- War and Peace (Section I.5, I.6, I.7), Our World in Data. https://ourworldindata.org/war-and-peace
- Political inclusion and development outcomes: Brazil introduces electronic voting, Fujiwara, Thomas (2017). VoxDev. https://voxdev.org/topic/technology-innovation/political-inclusion-and-development-outcomes-brazil-introduces-electronic-voting
- Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil, Fujiwara, Thomas (2015). Econometrica, 83(2), 423-464. https://onlinelibrary.wiley.com/doi/epdf/10.3982/ECTA11520
- Governance Review Paper, Abdul Latif Jameel Poverty Action Lab. *J-PAL Governance Initiative*. Cambridge, MA. https://www.povertyactionlab.org/sites/default/files/publications/J-PAL GI Governance Review Paper v October 2013.pdf

Lecture 9, April 24th: Colonialism, Power and Political Economy of Development

- Colonialism, Our World in Data. https://ourworldindata.org/colonialism
- Understanding the long-run effects of Africa's slave trades, Nunn, Nathan (2017). VoxEU CEPR Policy Portal https://voxeu.org/article/understanding-long-run-effects-africa-s-slave-trades

- Working in Emerging Markets: Opportunities and Blind Spots, Adhikari, Samik; Elorrieta Juan Ignacio and Dina Pomeranz. Technical Note. (available on OLAT)
- Commitment to Development Index 2017, Mitchell, Ian; Käppeli, Anita and Hauke Hillebrandt (2017). Center for Global Development. https://www.cgdev.org/publication/commitment-development-index-2017
- The Long-term Effects of Africa's Slave Trades, Nunn, Nathan (2008). The Quarterly Journal of Economics 123.1 (2008): 139-176.
 https://academic.oup.com/qje/article/123/1/139/1889789/The-Long-term-Effects-of-Africa-s-Slave-Trades
- Stranger in the Village, Baldwin, James (1955). Notes of a Native Son, 175. http://engl101-rothman.wikispaces.umb.edu/file/view/Stranger+in+the+Village.pdf/377982968/Stranger in the Village.pdf
- Colonial Switzerland: Rethinking colonialism from the margins, Purtschert, Patricia, and Harald Fischer-Tiné (2015). Springer.

Lecture 10, May 8th: Aid & Impact Measurement

- Making Aid Work: How to Fight Global Poverty-Effectively, Banerjee, Abhijit (2006). Boston Review 31(4), 7-9. http://bostonreview.net/archives/BR31.4/banerjee.php
- The effect of aid on growth: Evidence from a quasi-experiment, Galiani, Sebastian; Knack, Stephen; Xu, Lixin Colin and Zou, Ben (2016). VoxDev. https://voxdev.org/topic/finance/effect-aid-growth-evidence-quasi-experiment
- The Impact of Unconditional Cash Transfers in Kenya, Haushofer, Johannes and Jeremy Shapiro (2016). J-PAL Evaluations. https://www.povertyactionlab.org/evaluation/impact-unconditional-cash-transfers-kenya
- The Short-Term Impact of Unconditional Cash Transfers to the Poor: Experimental Evidence from Kenya. Haushofer, Johannes, and Jeremy Shapiro (2016). The Quarterly Journal of Economics, Volume 131, Issue 4, 1 November 2016, Pages 1973–2042. https://doi.org/10.1093/qje/qjw025
- The Effect of Aid on Growth: Evidence from a Quasi-Experiment, Galiani, Sebastian; Knack, Stephen; Xu, Lixin Colin and Zou, Ben (2017). Journal of Economic Growth, 22(1). https://link.springer.com/article/10.1007%2Fs10887-016-9137-4
- Esther Duflo and Abhijit Banerjee on «Using Testing to Combat Poverty», SRF Sternstunde Philosophie. Video. https://www.youtube.com/watch?v=w07K318V9YQ

Lecture 11, May 15th: Taxation

- Taxation (Sub-sections from Section I: "Taxes started growing in early-industrialised countries after the First World War"; "In the process of development, middle income countries have increased tax revenues"; "How much tax revenue do countries collect today?"; "How have income tax revenues evolved around the world?"; "How is consumption taxed?"; "How has the taxation of goods and services evolved around the world?". Subsection from Section II: "Rising GDP is associated with rising tax revenues"), Our World in Data. https://ourworldindata.org/taxation
- Dodging the Taxman: Evidence from Ecuador, Carrillo, Paul; Pomeranz, Dina and Monica Singhal (2017). VoxDev. https://voxdev.org/topic/public-economics/dodging-taxman-evidence-ecuador
- The Role of the VAT for Tax Enforcement, Pomeranz, Dina (2015). J-PAL Evaluations https://www.povertyactionlab.org/evaluation/role-vat-tax-enforcement
- No participation without taxation? Evidence from randomized tax collection in the D.R. Congo, Jonathan Weigel (2017). World Bank Development Impact Blog http://blogs.worldbank.org/impactevaluations/no-participation-without-taxation-evidence-randomized-tax-collection-dr-congo-guest-post-jonathan
- How Big Is the Transfer Pricing Prize for Development?, Maya Forstater (2017). Center for

- Global Development Blog. https://www.cgdev.org/blog/how-big-transfer-pricing-prize-development
- Poorer Countries Lose More from Corporate Profit-Shifting, Cobham, Alex (2014). Center for Global Development Blog. https://www.cgdev.org/blog/poorer-countries-lose-more-corporate-profit-shifting
- No Taxation without Information: Deterrence and Self-Enforcement in the Value Added Tax, Pomeranz, Dina (2015). American Economic Review, 105 (8): 2539-69. https://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.20130393
- Dodging the Taxman: Firm Misreporting and Limits to Tax Enforcement, Carrillo, Paul, Dina Pomeranz, and Monica Singhal (2017). American Economic Journal: Applied Economics, 9 (2): 144-64. https://pubs.aeaweb.org/doi/pdfplus/10.1257/app.20140495
- Building State and Citizen: How Tax Collection in Congo Engenders Citizen Engagement with the State, Weigel, Jonathan (2018). Working Paper. https://jonathanweigel.com/jwresearch/jmp
- Misleading Numbers About Illicit Financial Flows: The Former Norwegian Ambassador to Zambia speaks up, Forstater, Maya (2018). Hima Maya, blog. https://hiyamaya.wordpress.com/2018/05/09/misleading-numbers-about-illicit-financial-flows-the-former-norwegian-ambassador-to-zambia-speaks-out/

Lecture 12, May 22th: Migration

- International migration: Key findings from the U.S., Europe and the world, Connor, Phillip (2016). Fact Tank, Pew Research Center. http://www.pewresearch.org/fact-tank/2016/12/15/international-migration-key-findings-from-the-u-s-europe-and-the-world/
- Think Development in Poor Countries Will Reduce Migration? The Numbers Say Otherwise, Clemens, Michael (2014). Center for Global Development.

 https://www.cgdev.org/blog/think-development-poor-countries-will-reduce-migration-numbers-say-otherwise
- Trillion-Dollar Bills on the Sidewalk: Why Don't More Economists Study Emigration?, Clemens, Michael (2011). Center for Global Development.

 https://www.cgdev.org/blog/trillion-dollar-bills-sidewalk-why-don't-more-economists-study-emigration
- Does Development Reduce Migration?, Clemens, Michael (2014). International Handbook on Migration and Economic Development, Edward Elgar Publishing.
 https://www.cgdev.org/sites/default/files/does-development-reduce-migration final 0.pdf
- Economics and Emigration: Trillion-Dollar Bills on the Sidewalk? Clemens, Michael (2011). Journal of Economic Perspectives, 25 (3): 83-106. https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.25.3.83
- Why Do Programmers Earn More in Houston Than Hyderabad? Evidence from Randomized Processing of US Visas, Clemens, Michael (2013). American Economic Review, 103 (3): 198-202. https://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.103.3.198
- Does Migration Foster Exports? Evidence from Africa, Ehrhart, Helene, Le Goff, Maelan, Rocher, Emmanuel and Singh, Raju Jan (2014). Working Paper. http://documents.worldbank.org/curated/en/520651468194076878/pdf/WPS6739.pdf
- Eight Questions about Brain Drain, Gibson, John, and David McKenzie. (2011). Journal of Economic Perspectives, 25(3): 107-28. https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.25.3.107
- Abundance from Abroad: Migrant Earnings and Economic Development in the Philippines,
 Theoharides, Caroline and Yang, Dean (2018). Working Paper.
 https://sites.lsa.umich.edu/deanyang/wp-content/uploads/sites/205/2018/04/theoharides-yang-2018-migrant-earnings.pdf
- *Migrant Remittances*, Yang, Dean (2011). *Journal of Economic Perspectives*, 25 (3): 129-52. https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.25.3.129
- International Migration and Remittances, Yang, Dean (2015). International Encyclopedia of the Social & Behavioral Sciences, 2nd edition, Vol. 12, Oxford: Elsevier, pp. 519–524.

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- Changing Patterns of Global Migration and Remittances. Chapter 1: Overview, Connor, Phillip, Cohn, D'Vera and Ana Gonzalez-Barrera (2013). Social Trends, Pew Research Center.
 http://www.pewsocialtrends.org/2013/12/17/changing-patterns-of-global-migration-and-remittances/