

Economics 270C – Graduate Development Economics
SPRING 2007 SYLLABUS

Professor Edward Miguel (emiguel@econ.berkeley.edu, 510-642-7162)

Lectures: Tuesday 4-6pm, B56 Hildebrand

Office Hours: Monday 9-11:30am, Evans 647

Assignments:

(1) Three referee reports on working papers by Development job market candidates (30 percent):
-- Referee report 1 on Emily Oster “Does Increased Access Increase Equality? Gender and Child Health Investments in India” (<http://home.uchicago.edu/~eoster/excessfem.pdf>), due 1/30

-- Referee report 2 on Masayuki Kudamatsu “Has Democratization Reduced Infant Mortality in Sub-Saharan Africa? Evidence from Micro Data”
(<http://personal.lse.ac.uk/kudamats/kudamatsu2006.pdf>), due 2/13

-- Referee report 3 on Karthik Muralidharan “Teacher Incentives in Developing Countries: Experimental Evidence from India” (<http://www.people.fas.harvard.edu/~muralidh/papers.html>), due 3/13

Each referee report should be 2-3 pages double-spaced. The report should start off with a one paragraph summary of the main argument of the article. You should describe your main 3-4 points in detail as if you were writing directly to the author. Conclude the report with more minor comments. A good referee report not only clearly states the shortcomings of the work, but also lays out detailed – and realistic – suggestions for improvement.

(2) Two problem sets (20 percent):

-- Problem set 1, due 4/3

-- Problem set 2, due 4/17

(3) One research proposal, 7-8 pages double-spaced (15 percent):

The research proposal should briefly (3-4 pages) survey an existing literature in Development Economics, and then describe a planned research project. All students must meet with me (in office hours) to discuss their research proposal by 4/16. The proposal is due 5/8.

(4) Final exam (30 percent): The final will be offered during the final lecture period (on 5/8).

(5) Class participation (5 percent): In borderline cases, the quality of classroom comments may be a factor in assigning grades.

Recommended reference articles and texts:

Bardhan, Pranab and Christopher Udry. (2000). *Development Microeconomics*. Oxford University Press: New York.

Deaton, Angus. (1997). *The Analysis of Household Surveys: A Microeconometric Approach to Development Policy*. Johns Hopkins University Press: Baltimore, Maryland.

Duflo, Esther, Rachel Glennerster, and Michael Kremer. (2006). "Using Randomization in Development Economics Research: A Toolkit", *NBER Technical Working Paper #333* [<http://www.nber.org/papers/t0333>]

Sen, Amartya. (1981). *Poverty and Famines: An Essay on Entitlement and Deprivation*, Oxford University Press: New York.

For two recent public debates on the direction of development economics and international development policy, refer to the Boston Review July/August 2006 edition [<http://bostonreview.net/BR31.4/contents.html>], and the Economic and Political Weekly October 1-7 2005 edition [http://econ-www.mit.edu/faculty/download_pdf.php?id=1242].

Cross-country growth empirics

Lecture 1: Global patterns of economic growth and development (1/16)

Deaton, Angus. (2005). "Measuring Poverty in a Growing World (or Measuring Growth in a Poor World)," *Review of Economics and Statistics*, 87(1), 1-19. [<http://www.mitpressjournals.org/doi/pdf/10.1162/0034653053327612>]

Jones, Charles. (1997). "On the Evolution of the World Income Distribution," *Journal of Economic Perspectives*, 11(3), 19-36. [JSTOR]

Levine, Ross, and David Renelt. (1992). "A Sensitivity Analysis of Cross-Country Growth Regressions," *American Economic Review*, 82, 942-963. [JSTOR]

The political economy of development

Lecture 2: Inequality and growth (1/23)

Banerjee, Abhijit, and Esther Duflo. (2003). "Inequality and Growth: What Can the Data Say?" *Journal of Economic Growth*, 8(3), 267-299. [<http://www.springerlink.com/content/h112582107706717/fulltext.pdf>]

Banerjee, Abhijit, Dilip Mookherjee, Kaivan Munshi, and Debraj Ray. (2001). "Inequality, Control Rights, and Rent Seeking: Sugar Cooperatives in Maharashtra", *Journal of Political Economy*, 109(1), 138-190. [JSTOR]

Forbes, Kristin. (2000). "A Reassessment of the Relationship Between Inequality and Growth," *American Economic Review*, 90(4), 869-887. [JSTOR]

Lecture 3: Corruption (1/30) – Guest lecture by Ben Olken

[Referee report #1 due]

Fisman, Raymond. (2001). “Estimating the Value of Political Connections”, *American Economic Review*, 91(4), 1095-1102. [JSTOR]

Olken, Ben. (2006). “Monitoring Corruption: Evidence from a Field Experiment in Indonesia”, unpublished working paper. [<http://www.nber.org/~bolken/corruptionexperiments.pdf>]

Reinikka, Ritva, and Jakob Svensson. (2004). “Local Capture: Evidence from a Central Government Transfer Program in Uganda”, *Quarterly Journal of Economics*, 119 (2).

[<http://www.mitpressjournals.org/doi/pdf/10.1162/0033553041382120>]

Lecture 4: History and institutions (2/6)

Acemoglu, Daron, Simon Johnson, and James Robinson. (2001). “Colonial Origins of Comparative Development: An Empirical Investigation,” *American Economic Review*, 91 (5), 1369-1401. [JSTOR]

Albouy, David. (2005). “The Colonial Origins of Comparative Development: An Investigation of the Settler Mortality Data,” unpublished working paper.

[<http://repositories.cdlib.org/cgi/viewcontent.cgi?article=1055&context=iber/cider>]

Bockstette, Valerie, Areendam Chanda, and Louis Putterman. (2003). “States and Markets: The Advantage of an Early Start”, *Journal of Economic Growth*, 7, 347-369.

[<http://www.springerlink.com/content/xp22n85118811701/fulltext.pdf>]

Lecture 5: Democracy and development (2/13)

[Referee report #2 due]

Besley, Timothy, and Robin Burgess. (2002). “The Political Economy of Government Responsiveness: Theory and Evidence from India”, *Quarterly Journal of Economics*, 117(4).

[<http://www.mitpressjournals.org/doi/pdf/10.1162/003355302320935061>]

Khwaja, Asim, and Atif Mian. (2005). “Do Lenders Favor Politically Connected Firms? Rent Provision in an Emerging Financial Market”, *Quarterly Journal of Economics*, 120(4).

[<http://www.mitpressjournals.org/doi/pdf/10.1162/003355305775097524>]

Kudamatsu, Masayuki. (2007). “Has Democratization Reduced Infant Mortality in Sub-Saharan Africa? Evidence from Micro Data”, unpublished working paper, LSE.

[<http://personal.lse.ac.uk/kudamats/kudamatsu2006.pdf>]

Lecture 6: Ethnic and social divisions (2/20)

Easterly, William, and Ross Levine. (1997). “Africa’s growth tragedy: policies and ethnic divisions”, *Quarterly Journal of Economics*, 112 (4), 1203-1250. [JSTOR]

Miguel, Edward. (2004). “Tribe or Nation? Nation-building and Public Goods in Kenya versus Tanzania”, *World Politics*, 56, 327-362.

[http://www.econ.berkeley.edu/~emiguel/miguel_nation.pdf]

Pande, Rohini. (2003). "Can Mandated Political Representation Increase Policy Influence for Disadvantaged Minorities? Theory and Evidence from India," *American Economic Review*, 93(4), 1132-1151.

[<http://www.ingentaconnect.com/content/aea/aer/2003/00000093/00000004/art00006>]

Lecture 7: Economic Theories of Conflict (2/27)

Garfinkel, Michelle, and Stergios Skaperdas. (2006). "Economics of Conflict: An Overview", forthcoming chapter in *Handbook of Defense Economics*, (eds.) T. Sandler and K. Hartley.

[<http://www.socsci.uci.edu/~sskaperd/GarfinkelskaperdasHB0306.pdf>]

Grossman, Herschell I. (1991). "A General Equilibrium Model of Insurrections", *American Economic Review*, 81(4), 912-921. [JSTOR]

Powell, Robert. (2006). "War as a Commitment Problem", *International Organization*, 60, 169-203. [http://journals.cambridge.org/download.php?file=%2FINO%2FINO60_01%2FS0020818306060061a.pdf&code=3709bdfd441ec1b581bc6fe8a66d382c]

Lecture 8: War and Economic Development (3/6)

Blattman, Christopher. (2006). "Child soldiers and labor market outcomes: Findings from the Survey of War-Affected Youth in Uganda", unpublished working paper, U.C., Berkeley.

[<http://www.chrisblattman.org/Blattman.ConsequencesChildSoldiering.pdf>]

Davis, Donald R., and David Weinstein. (2002). "Bones, Bombs, and Breakpoints: The Geography of Economic Activity", *American Economic Review*, 92(5).

[<http://www.columbia.edu/~drd28/BBB.pdf>]

Miguel, Edward, Shanker Satyanath, and Ernest Sergenti. (2004). "Economic Shocks and Civil Conflict: An Instrumental Variables Approach", *Journal of Political Economy*, 112(4), 725-753.

[http://www.econ.berkeley.edu/~emiguel/miguel_conflict.pdf]

Human resources

Lecture 9: Human capital and income growth (3/13)

[Referee report #3 due]

[Problem set #1 handed out]

Duflo, Esther. (2001). "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review*, 91(4), 795-813. [JSTOR]

Krueger, Alan and Mikael Lindahl. (2001). "Education for Growth: Why and For Whom?" *Journal of Economic Literature*, 39 (4), 1101-1136. [JSTOR]

Lecture 10: Increasing human capital (3/20)

Banerjee, Abhijit V., Shawn Cole, Esther Duflo, and Leigh Linden. (2006). "Remedying Education: Evidence from Two Randomized Experiments in India", forthcoming *Quarterly Journal of Economics*. [http://econ-www.mit.edu/faculty/download_pdf.php?id=677]

Kremer, Michael, Rebecca Thornton, and Edward Miguel. (2007). "Incentives to Learn", unpublished working paper. [http://www.econ.berkeley.edu/~emiguel/miguel_incentives.pdf]

[3/27 – Spring break]

Lecture 11: Health and nutrition (4/3)

[Problem set #1 due]

[Problem set #2 handed out]

Miguel, Edward, and Michael Kremer (2004). "Worms: Identifying Impacts on Education and Health the Presence of Treatment Externalities", *Econometrica*, 72(1), 159-217.

[http://emlab.berkeley.edu/users/emiguel/miguel_worms.pdf]

Subramanian, Shankar, and Angus Deaton. (1996). "The Demand for Food and Calories," *Journal of Political Economy*, 104(1), 133-162. [JSTOR]

Thomas, Duncan, et al. (2003). "Iron Deficiency and the Well-Being of Older Adults: Early Results from a Randomized Nutrition Intervention", unpublished manuscript, UCLA.

[http://www.ksg.harvard.edu/cid/bread/papers/081903_Conference/dthomas.pdf]

Lecture 12: The Economics of HIV/AIDS (4/10)

Evans, David K., and Edward Miguel. (2007). "Orphans and Schooling in Africa: A Longitudinal Analysis", forthcoming *Demography*.

[http://emlab.berkeley.edu/users/emiguel/miguel_orphans.pdf]

Thirumurthy, Harsha, Joshua Graff Zivin, and Markus Goldstein. (2005). "The Economic Impact of AIDS Treatment: Labor Supply in Western Kenya", NBER Working Paper #11871.

Young, Alwyn. (2005). "The Gift of Dying: The Tragedy of AIDS and the Welfare of Future African Generations", *Quarterly Journal of Economics*, 120(2), 423-466.

[<http://faculty.chicagosgsb.edu/alwyn.young/research/Papers/AIDS.PDF>]

Lecture 13: Labor markets and migration (4/17)

[Problem set #2 due]

Banerjee, Abhijit, and Andrew Newman. (1998). "Information, the Dual Economy, and Development", *Review of Economic Studies*, 65 (4), 631-653. [JSTOR]

Munshi, Kaivan, and Mark Rosenzweig. (2006). "Traditional Institutions Meet the Modern World: Caste, Gender, and Schooling in a Globalizing Economy", *American Economic Review*, 96(4), 1225-1252. [http://www.econ.brown.edu/fac/Kaivan_Munshi/aer.pdf]

Rosenzweig, Mark. (1988). "Chapter 15: Labor markets in low-income countries", *Handbook of Development Economics Vol 1*, Hollis Chenery and T.N. Srinivasan (ed.s).
[<http://econpapers.repec.org/bookchap/eedevhes/1.htm>]

Other topics

Lecture 14: Environment and development (4/24)

Duflo, Esther, and Rohini Pande. (2006). "Dams", forthcoming *Quarterly Journal of Economics*.
[http://ksghome.harvard.edu/~rpande/papers/dam_submit5.pdf]

Foster, Andrew, and Mark Rosenzweig. (2003). "Economic Growth and the Rise of Forests", *Quarterly Journal of Economics*, 118 (2), 601-637.
[<http://www.mitpressjournals.org/doi/pdf/10.1162/003355303321675464>]

Jayachandran, Seema. (2006). "Air Quality and Early-Life Mortality: Evidence from Indonesia's Wildfires", unpublished working paper. [http://www.stanford.edu/~jayachan/indo_fires.pdf]

Kremer, Michael, Jessica Leino, Edward Miguel, and Alix Zwane. (2007). "Spring Cleaning: A Randomized Evaluation of Source Water Quality Improvement", unpublished working paper.
[http://emlab.berkeley.edu/users/emiguel/miguel_water.pdf]

Lecture 15: Social Learning and Technology Adoption (5/1)

Conley, Timothy, and Christopher Udry. (2005). "Learning about a New Technology: Pineapple in Ghana", unpublished working paper. [<http://www.econ.yale.edu/~cru2/pdf/july2005a.pdf>]

Foster, A.D., and M.R. Rosenzweig. (1995). "Learning by Doing and Learning from Others: Human Capital and Technical Change in Agriculture," *Journal of Political Economy*, 103(6), 1176-1209. [JSTOR]

Kremer, Michael, and Edward Miguel. (2006). "The Illusion of Sustainability", forthcoming *Quarterly Journal of Economics*. [http://www.econ.berkeley.edu/~emiguel/miguel_illusion.pdf]

Week 16: Final exam (5/8)

[Research proposal due]