

Economics 270B – Graduate Development Economics
SPRING 2012 SYLLABUS

Lectures: Tuesday 10:00am-12:00pm, Evans 597
Professor Fred Finan (ffinan@econ.berkeley.edu)
Professor Edward Miguel (emiguel@econ.berkeley.edu)
Grading / extra office hours: Marshall Burke (Marshall.burke@berkeley.edu)

Assignments:

(1) Referee reports on papers by job market candidates (40 percent):

-- Referee report 1 on Supreet Kaur (Harvard) “Nominal Wage Rigidity in Village Labor Markets” [http://www.people.fas.harvard.edu/~kaur/papers/Kaur_JMP_WageRigidity.pdf], due 1/31

-- Referee report 2 on Arun Chandrasekhar (MIT) “Mobilizing Investment through Social Networks: Evidence from a Lab Experiment in the Field” [<http://econ-www.mit.edu/files/6913>], due 2/14

-- Referee report 3 on Anant Nyshadham (Yale) “Learning about comparative advantage in entrepreneurship: Evidence from Thailand” [http://nyshadham.squarespace.com/storage/Nyshadham_JMP_Nov2011.pdf], due 2/28

-- Referee report 4 on Remi Jedwab (Paris School of Economics) “Why is African Urbanization Different? Evidence from Resource Exports in Ghana and Ivory Coast” [http://www.parisschoolofeconomics.com/jedwab-remi/JEDWAB_JMP_14112011.pdf], 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 constructive, detailed and realistic suggestions for improvement.

(2) Two problem sets (20 percent):

-- Problem set 1, due 3/20

-- Problem set 2, due 4/10

(3) One research proposal, 8-9pages double-spaced (30 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 one of us (in office hours) to discuss their proposal by 4/17. It is due 4/24.

(4) Class participation (10 percent): In borderline cases, the quality of classroom comments may be a factor in assigning grades.

There is no final exam.

Lectures

I. Macroeconomic growth empirics

Lecture 1: Global patterns of economic growth and development (1/17, Miguel)

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>]

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

Ravallion, Martin. (2010). "The Developing World is Poorer than We Thought, But No Less Successful in the Fights Against Poverty," *Quarterly Journal of Economics*, 125(4), 1577-1625.

[<http://qje.oxfordjournals.org/content/125/4/1577.full.pdf+html>]

Lecture 2: Inequality and growth (1/24, Miguel)

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>]

Galor, Oded, and Joseph Zeira. (1993). "Income distribution and macroeconomics", *Review of Economic Studies*, 60, 35-52. [JSTOR]

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

II. Political economy

Lecture 3: History and institutions (1/31, Finan)

[Referee report #1 due]

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. (2010). "The Colonial Origins of Comparative Development: An Investigation of the Settler Mortality Data," forthcoming, *American Economic Review*.

<http://www-personal.umich.edu/~albouy/AJRreinvestigation/AJRrev.pdf>

Goldstein, Marcus, and Christopher Udry. (2008). "The Profits of Power: Land Rights and Agricultural Investment in Ghana," *Journal of Political Economy*, 116(6), 981-1022.

Nunn, Nathan. (2008). "The long-term effects of Africa's slave trades", *Quarterly Journal of Economics*, 123(1), 139-176. [<http://www.mitpressjournals.org/doi/pdf/10.1162/qjec.2008.123.1.139>]

Lecture 4: Corruption (2/7, Finan)

Olken, Ben and Rohini Pande (2012) "Corruption in Developing Countries", *Annual Review of Economics*, Vol. 4.

Fisman, Raymond and Edward Miguel. (2007). "Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets", *Journal of Political Economy*, 115(6), 1020-1048. [<http://www.journals.uchicago.edu/doi/pdf/10.1086/527495>]

Olken, Ben and Patrick Barron. (2009). "The Simple Economics of Extortion: Evidence from Trucking in Aceh", *Journal of Political Economy*, 117(3), 417-452. [<http://econ-www.mit.edu/files/3953>]

Lecture 5: Democracy and development (2/14, Finan)

[Referee report #2 due]

Casey, Katherine, Rachel Glennerster, and Edward Miguel. (2011). "Reshaping institutions: Evidence on aid impacts using a pre-analysis plan", NBER working paper #17012.

Dal Bo, Pedro, Andrew Foster, Louis Putterman (2010) "Institutions and Behavior: Experimental Evidence on the Effects of Democracy", *American Economic Review*, 100(5), 2205-2229.

Ferraz, Claudio, and Fred Finan. (2008). "Exposing Corruption politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes", *Quarterly Journal of Economics*, 123(2), 703-745. [<http://www.mitpressjournals.org/doi/pdfplus/10.1162/qjec.2008.123.2.703>]

Lecture 6: Conflict and Development (2/21, Miguel)

Chassang, Sylvain, and Gerard Padro-i-Miquel. (2010). "Economic Shocks and Civil War", *Quarterly Journal of Political Science*, 4(3), 211-228. [<http://personal.lse.ac.uk/padro/>]

Dube, Oeindrila and Juan Vargas. (2011). "Commodity price shocks and civil conflict: Evidence from Colombia", unpublished working paper. [https://files.nyu.edu/od9/public/papers/Dube_Vargas_commodities_conflict.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]

Background reading for lecture 6:

Blattman, Christopher and Edward Miguel. (2010). "Civil War", *Journal of Economic Literature*, 48(1), 3-57. [http://www.econ.berkeley.edu/~emiguel/pdfs/miguel_civilwar.pdf]

III. Human resources

Lecture 7: Human capital and income growth (2/28, Miguel)

[Referee report #3 due]

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 8: Incentives to increase human capital (3/6, Miguel)

[Problem set #1 handed out]

Baird, Sarah, Craig McIntosh, and Berk Ozler.(2011). "Cash or condition? Evidence from a Randomized Cash Transfer Program", *Quarterly Journal of Economics*, 126(4), 1709-1753. [<http://qje.oxfordjournals.org/content/126/4/1709.full.pdf+html>]

Kremer, Michael, Rebecca Thornton, and Edward Miguel. (2009). "Incentives to Learn", *Review of Economics and Statistics*, 91(3), 437-456. [http://www.econ.berkeley.edu/~emiguel/miguel_incentives.pdf]

Muralidharan, Karthik and Venkatesh Sundararaman. (2011). "Teacher Performance Pay: Experimental Evidence from India", *Journal of Political Economy*, 119(1), 39-77. [<http://www.jstor.org/stable/10.1086/659655>]
[<http://www.econ.ucsd.edu/~kamurali/papers/Published%20Articles/Teacher%20Performance%20Pay%20%28Final%20Pre-Publication%20Version%29.pdf>]

Lecture 9: Labor markets and networks (3/13, Guest Lecturer Jeremy Magruder)

[Referee report #4 due]

[Problem set #1 handed out]

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

Beaman, Lori, and Jeremy Magruder. (2010). "Who Gets the Job Referral? Evidence from a Social Networks Experiment", forthcoming *American Economic Review*. [<http://are.berkeley.edu/~jmagruder/research.html>]

Kaur, Supreet, Michael Kremer, and Sendhil Mullainathan. (2011). "Self-control at Work", unpublished working paper. [http://www.people.fas.harvard.edu/~kaur/papers/KaurKremerMullainathan_SelfControl.pdf]
]

Lecture 10: Health, nutrition and income (3/20, Miguel)

[Problem set #1 due]

Acemoglu, Daron and Simon Johnson. (2007). “Disease and Development: The Effect of Life Expectancy on Economic Growth”, *Journal of Political Economy*, 115(6), 925-985. [<http://www.journals.uchicago.edu/doi/pdf/10.1086/529000>]

Baird, Sarah, Joan Hamory Hicks, Michael Kremer, and Edward Miguel. (2011). “Worms at Work: Long-run Impacts of Child Health Gains”, unpublished working paper. [<http://www.econ.berkeley.edu/~emiguel/workingpapers.shtml>]

Kuziemko, Iliyana, and Seema Jayachandran. (2011). “Why Do Mothers Breastfeed Girls Less than Boys: Evidence and Implications for Child Health in India”, *Quarterly Journal of Economics*, 126(3), 1485-1538. [<http://www.stanford.edu/~jayachan/papers.html>]

Miguel, Edward, and Michael Kremer (2004). “Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities”, *Econometrica*, 72(1), 159-217. [http://emlab.berkeley.edu/users/emiguel/miguel_worms.pdf]

[3/22 – Spring break]

Lecture 11: The demand for health (4/3, Miguel)

[Problem set #2 handed out]

Kremer, Michael, and Edward Miguel. (2007). “The Illusion of Sustainability”, *Quarterly Journal of Economics*, 112(3), 1007-1065. [http://www.econ.berkeley.edu/~emiguel/miguel_illusion.pdf]

Kremer, Michael, Jessica Leino, Edward Miguel, and Alix Zwane. (2011). “Spring Cleaning: Rural Water Impacts, Valuation and Property Rights Institutions”, *Quarterly Journal of Economics*. [http://emlab.berkeley.edu/users/emiguel/miguel_water.pdf]

Thornton, Rebecca. (2008). “The Demand for, and Impact of, Learning HIV Status”, *American Economic Review*, 98(5), 1829-1863. [<http://www-personal.umich.edu/~rebeccal/Thornton%20HIV%20Testing.pdf>]

Background reading for lecture 11:

Dupas, Pascaline. (2011). “Health behavior in developing countries”, *Annual Review of Economics*, 3, 425-449. [http://www.stanford.edu/~pdupas/AR_health_behavior.pdf]

IV. Environment, Infrastructure, and New Technologies

Lecture 12: Climate change, health and development (4/10, Miguel)

[Problem set #2 due]

Burgess, Robin, Olivier Deschenes, Dave Donaldson, and Michael Greenstone. (2011). “Weather and Death in India”, unpublished working paper. [http://dl.dropbox.com/u/2734209/BDDG_Weather_and_Death_paper.pdf]

Burke, Marshall, John Dykema, David Lobell, Edward Miguel, and Shanker Satyanath. (2011). “Incorporating climate uncertainty into estimates of climate change impacts, with applications to U.S. and African agriculture”, unpublished working paper. [http://elsa.berkeley.edu/~emiguel/pdfs/miguel_us-ag.pdf]

Kudamatsu, Masayuki, Torsten Persson, and David Stromberg. (2011). “Weather and infant mortality in Africa”, unpublished working paper. [http://people.su.se/~tpers/papers/Africa_paper110418.pdf]

Lecture 13: The Role of Infrastructure(4/17, Finan)

Donaldson, David. (2009). “Railroads of the Raj: Estimating the Economic Impact of Transportation Infrastructure”, unpublished working paper. [http://personal.lse.ac.uk/DONALD1S/research.html]

Gonzalez-Navarro, Marco, and Climent Quintana-Domeque. (2011). “Urban infrastructure and economic development: experimental evidence from street pavement”, unpublished working paper. [http://individual.utoronto.ca/marcog/attachment/pavement_experiment_gonzalez_quintana_2011.pdf]

Murphy, Kevin, Andrei Shleifer, and Robert Vishny. (1989). “Industrialization and the Big Push”, *Journal of Political Economy*, 97(5), 1003-1026. [JSTOR]

Lecture 14: Mobile technology impacts (4/24, Guest Lecturer: Jenny Aker) [Research proposal due]

Aker, Jenny (2010) “Information from Markets Near and Far: The Impact of Mobile Phones on Grain Markets in Niger.” *American Economic Journal: Applied Economics*, 2, 46-59.

Aker, Jenny and Isaac M. Mbiti (2010) “Mobile Phones and Economic Development in Africa.” *Journal of Economic Perspectives*, 24(3): 207-32.

Jensen, Robert. (2007). “The Digital Divide: Information (Technology), Market Performance and Welfare in the South Indian Fisheries Sector”, *Quarterly Journal of Economics*, 122(3), 879-924. [http://qje.oxfordjournals.org/content/122/3/879.full.pdf+html]

Jack, William, and Tavneet Suri. (2011). “Risk sharing and transaction costs: evidence from Kenya’s mobile money revolution”, unpublished working paper. [http://www.mit.edu/~tavneet/Jack_Suri.pdf]

V. Additional topics covered on the Development Economics field exam:

-- Ethnic and social divisions

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

Hjort, Jonas. (2011). "Ethnic divisions and production in firms", unpublished working paper, U.C. Berkeley. [http://econgrads.berkeley.edu/hjort/files/2011/11/jmp_hjort__.pdf]

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]