

**Syllabus for ECS-7015**  
**Ph.D. Development Economics**  
**Fall 2022**

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Office hours: Tu/Th 10:00-11:00 or by appointment

Course schedule: Tu/Th 2:00- 3:15  
Course meets: Deuxieme Maison 193

## **1. Course Description and Objectives**

This class is a graduate level course on development economics. The goal of this course is to prepare students for their own work by giving them theoretical and empirical knowledge on microeconomic development and practices in critically reading papers and laying out research ideas. The topics covered include institutions, household models, credits, savings, insurance, education, health, gender, migration, labor markets, and firms. The class will work through a few papers in detail rather than synthesize a literature. Students are expected to have read the articles and be prepared to discuss them in class in depth.

Although the course name is Development Economics *Theory*, the course will put equal, if not more, weight on empirical applications, given the importance of empirical work in the current literature on economic development.

## **2. Prerequisites**

Graduate coursework in economic theory and econometrics is prerequisites for this class.

## **3. Course Requirements**

### **3.1 Participation (10%)**

You are expected to come prepared to discuss and analyze the readings. I will ask you questions about the required readings during class. Also, you should ask questions and share your thoughts.

### **3.2 Homework assignments (50%)**

There will be three homework assignments that combine theoretical and data analysis (17% each). You will need to use Stata or similar statistical software.

### **3.3 Paper presentation (15%)**

Each student presents one published paper in depth for 45-60 minutes, where your fellow students and I will interrupt and ask to make sure that important pieces are explained. This presentation must be intensive as the fellow students and I will read papers thoroughly and prepare what to ask and explain. Students must seriously read papers and understand them.

### 3.4 Referee report and presentation (25%)

You will write one referee report on an unpublished paper (either a job market paper or a conference paper). You will give a 30 minute presentation (10%).

The referee report should be no more than 3 pages double-spaced. You should start the report with a one paragraph summary of the main argument of the paper and describe your main 3-4 points in detail. Conclude the report with more minor comments. A good referee report not only clearly states the shortcomings but also include constructive, detailed and realistic suggestions for improvement.

These assignments will allow you to read and critique papers on the research frontier of development economics and have a concrete sense of the quality of top work in the field.

The list of papers to be refereed will be available to students by the end of October.

### 3.5 Grading

Assignment due dates and point distributions are given below. If you choose not to turn in an assignment on time, you will lose 20% of the total points that you earn on the assignment for each day that it is late.

Assignment	Points
Participation	10
Homework 1	17
Homework 2	17
Homework 3	17
Presentation	15
Referee report + presentation	25

Final letter grade will be awarded according to the scale below:

A	$\geq 93$
A-	$< 93 \text{ \& } \geq 90$
B+	$< 90 \text{ \& } \geq 85$
B	$< 85 \text{ \& } \geq 80$
B-	$< 80 \text{ \& } \geq 75$
C+	$< 75 \text{ \& } \geq 70$
C	$< 70 \text{ \& } \geq 65$
D	$< 65 \text{ \& } \geq 60$
F	$< 60$

## 4. Course Outline and Readings

This schedule is subject to change. I may add or drop readings during the semester. I will announce changes in class and update the syllabus.

Day	Date	Topic	Assignment
1	8/23	Introduction	

2	8/25	Institutions (Acemoglu, Johnson & Robinson 2001)	
3	8/30	Institutions (Dell 2010)	
4	9/1	Catch-up day	
5	9/6	Corruption (Ferraz & Finan 2008)	
6	9/8	Catch-up day	
7	9/13	Conflict (Dell & Querubin 2018)	Presentation
8	9/15	Household model (Bardhan & Udry, Chapter 2)	
9	9/20	Informal insurance (Townsend 1994)	
10	9/22	Catch-up day	
11	9/27	Credit (Bardhan & Udry, Chapter 7)	
12	9/29	Credit (Karlan & Zinman 2009)	
13	10/4	Savings (Paxson 1992)	
14	10/6	Catch-up day	
15	10/11	Microfinance (Duflo, Glennerster & Kinnan 2015)	Presentation
16	10/13	Transfers (Baird, McIntosh & Özler 2011)	
17	10/18	Catch-up day	
18	10/20	Education (Duflo 2001)	
19	10/25	Education (Duflo 2001)	
20	10/27	Gender (Bursztyn, González & Yanagizawa-Drott (2020)	Presentation
21	11/1	Firms (De Mel & McKenzie 2008)	
22	11/3	Firms (Atkin, Khandelwal & Osman 2017)	Presentation
23	11/8	Catch-up day	
24	11/10	Health (Miguel & Kremer 2004)	
25	11/15	Catch-up day	
26	11/17	Migration (Yang 2008)	
27	11/22	Migration (Munshi 2003)	
28	11/29	Catch-up day	
29	12/1	Presentation of papers referred (2 person)	Referee report
30	12/8	Presentations of papers referred (2 persons)	Referee report

The papers presented by students are marked with a pound (#).

The required readings are marked with an asterisk (\*).

#### 4.1 Introduction

- Banerjee, A. V., & Duflo, E. (2007). "The economic lives of the poor." *Journal of Economic Perspectives*, 21(1), 141-168.
- Schultz, T. W. (1980). "Nobel lecture: The economics of being poor." *Journal of Political Economy*, 88(4), 639-651.

#### 4.2 Institutions, corruption and conflict

##### *Institutions*

- \*Acemoglu, Daron, Simon Johnson, and James A. Robinson “The Colonial Origins of Comparative Development: An Empirical Investigation” *American Economic Review* 91(5): 1369-1401 (2001)
- Albouy, David; “The Colonial Origins of Comparative Development: An Empirical Investigation: Comment” *AER*, 2012
- \*Dell, M. (2010). “The persistent effects of Peru's mining mita.” *Econometrica*, 78(6), 1863-1903.
- Nunn, Nathan “The Importance of History for Economic Development” *Annual Review of Economics* 1: 65-92 (2009)

#### *Corruption*

- \* Ferraz, C. & Finan, F. (2008), “Exposing Corrupt Politicians: The Effect of Brazil's Publicly Released Audits on Electoral Outcomes,” *Quarterly Journal of Economics* 123(2), 703-745.
- Avis, E., Ferraz, C., & Finan, F. (2018). Do government audits reduce corruption? Estimating the impacts of exposing corrupt politicians. *Journal of Political Economy*, 126(5), 1912-1964.
- Olken, Ben and Rohini Pande (2012) “Corruption in Developing Countries”, *Annual Review of Economics*, Vol. 4.

#### *Conflict*

- # Dell, M., & Querubin, P. (2018). Nation building through foreign intervention: Evidence from discontinuities in military strategies. *The Quarterly Journal of Economics*, 133(2), 701-764.
- Miguel, E. and G. Roland (2011). "The long-run impact of bombing Vietnam." *Journal of Development Economics* 96(1): 1-15.
- Miguel, E., S. Satyanath and E. Sergenti (2004). "Economic shocks and civil conflict: An instrumental variables approach." *Journal of Political Economy* 112(4): 725-753.
- Blattman, C. and E. Miguel (2010). "Civil war." *Journal of Economic Literature* 48(1): 3-57.
- Ray, D. and J. Esteban (2017). "Conflict and Development." *Annual Review of Economics* 9: 263-293.

### **4.3 Household model**

- \* Bardhan and Udry, *Development Microeconomics*, Chapter 2
- Singh, I, L Squire, and J Strauss, eds. (1986). *Agricultural Household Models: Extensions, Applications, and Policy*. Baltimore: Johns Hopkins University Press.
- de Janvry, A., Fafchamps, M., & Sadoulet, E. (1991). Peasant Household Behaviour with Missing Markets: Some Paradoxes Explained. *Economic Journal*, 101(409), 1400-417.
- Benjamin, D. (1992). Household composition, labor markets, and labor demand: testing for separation in agricultural household models. *Econometrica: Journal of the Econometric Society*, 287-322.

### **4.4 Informal insurance**

- \* Townsend, R. (1994), “Risk and Insurance in Village India,” *Econometrica* 62(3), 539-591.

- Bardhan & Udry, Development Microeconomics, Chapter 8.

#### 4.5 Credit

- \* Bardhan & Udry, Development Microeconomics, Chapter 7.
- Stiglitz, J. & A. Weiss (1981), "Credit Rationing in Markets with Incomplete Information," American Economic Review 71(3), 393-410.
- \* Karlan, D. & J. Zinman (2009), "Observing Unobservables: Identifying Information Asymmetries with a Consumer Credit Field Experiment," Econometrica 77(6), 1993-2008.
- Burgess, R., & Pande, R. (2005). Do rural banks matter? Evidence from the Indian social banking experiment. American Economic Review, 95(3), 780-795.
- Karlan, D., & Morduch, J. (2010). Access to finance. In Handbook of development economics (Vol. 5, pp. 4703-4784). Elsevier.

#### 4.6 Microfinance

##### *Microfinance*

- # Banerjee, A., Duflo, E., Glennerster, R., & Kinnan, C. (2015). The miracle of microfinance? Evidence from a randomized evaluation. American Economic Journal: Applied Economics, 7(1), 22-53.
- Pitt, M. & S.R. Khandker (1998), "The Impact of Group-Based Credit Programs on Poor Households in Bangladesh: Does the Gender of Participants Matter," Journal of Political Economy 106(5), 958-996.
- Banerjee, A., Karlan, D., & Zinman, J. (2015). Six randomized evaluations of microcredit: Introduction and further steps. American Economic Journal: Applied Economics, 7(1), 1-21.
- Gine, X. & D. Karlan (2014), "Group versus Individual Liability: Short and Long Term Evidence from Philippine Microcredit Lending Groups," Journal of Development Economics 107 65-83
- Field, E., & Pande, R. (2008). Repayment frequency and default in microfinance: evidence from India. Journal of the European Economic Association, 6(2-3), 501-509.
- Field, E., Pande, R., Papp, J., & Rigol, N. (2013). Does the classic microfinance model discourage entrepreneurship among the poor? Experimental evidence from India. American Economic Review, 103(6), 2196-2226.
- Giné, X., Goldberg, J., & Yang, D. (2012). Credit market consequences of improved personal identification: Field experimental evidence from Malawi. American Economic Review, 102(6), 2923-54.

#### 4.7 Savings

- \* Paxson, C. (1992), "Using Weather Variability to Estimate the Response of Savings to Transitory Income in Thailand," American Economic Review 82(1), 15-33.
- Dupas, P., J. Robinson (2013). "Savings Constraints and Microenterprise Development: Evidence from a Field Experiment in Kenya" American Economic Journal: Applied Economics, 5(1): 163-192.

#### 4.8 Transfers

- \* Baird, S., McIntosh, C. & Özler, B. (2011), "Cash or Condition? Evidence from a Cash Transfer Experiment," *Quarterly Journal of Economics* 126(4), 1709-1753.
- Hanna, R., & Karlan, D. (2017). Designing Social Protection Programs: Using Theory and Experimentation to Understand how to Help Combat Poverty. In *Handbook of Economic Field Experiments* (Vol. 2, pp. 515-553). North-Holland.

#### 4.9 Education

- \* Duflo, Esther "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment" *American Economic Review* 91(4): 795-813 (2001)
- Glewwe, P. and M. Kremer (2006). "Schools, teachers, and education outcomes in developing countries." *Handbook of the Economics of Education* 2: 945-1017.
- Kremer and Holla (2009) "Improving Education in the Developing World: What Have We Learned from Randomized Evaluations?" *Annual Review of Economics*
- Muralidharan, K. (2017). "Field experiments in education in developing countries." In A. V. Banerjee and E. Duflo, Eds. *Handbook of Field Experiments*: North Holland.

#### 4.10 Gender

- # Bursztyn, L., González, A. L., & Yanagizawa-Drott, D. (2020). Misperceived social norms: Women working outside the home in Saudi Arabia. *American Economic Review*, 110(10), 2997-3029.
- Jayachandran, Seema. (2015) "The roots of gender inequality in developing countries." *Annual Review of Economics* 7, no. 1: 63-88.
- Jayachandran, S. (2021). Social norms as a barrier to women's employment in developing countries. *IMF Economic Review*, 69(3), 576-595.

#### 4.11 Firms

- \* De Mel, S., McKenzie, D., & Woodruff, C. (2008). "Returns to capital in microenterprises: evidence from a field experiment." *Quarterly Journal of Economics*, 123(4), 1329-1372.
- # Atkin, D., Chaudhry, A., Chaudry, S., Khandelwal, A. K., & Verhoogen, E. (2017). "Organizational barriers to technology adoption: Evidence from soccer-ball producers in Pakistan." *The Quarterly Journal of Economics*, 132(3), 1101-1164.
- De Mel, S., McKenzie, D., & Woodruff, C. (2012). "One-time transfers of cash or capital have long-lasting effects on microenterprises in Sri Lanka." *Science*, 335(6071), 962-966.
- Fafchamps, M., McKenzie, D., Quinn, S., & Woodruff, C. (2014). "Microenterprise growth and the flypaper effect: Evidence from a randomized experiment in Ghana." *Journal of Development Economics*, 106, 211-226.
- Atkin, D., Khandelwal, A. K., & Osman, A. (2017). Exporting and firm performance: Evidence from a randomized experiment. *The Quarterly Journal of Economics*, 132(2), 551-615.

- Bloom, N., Eifert, B., Mahajan, A., McKenzie, D., & Roberts, J. (2013). Does management matter? Evidence from India. *The Quarterly Journal of Economics*, 128(1), 1-51.
- Bruhn, M., Karlan, D., & Schoar, A. (2018). The impact of consulting services on small and medium enterprises: Evidence from a randomized trial in Mexico. *Journal of Political Economy*, 126(2), 635-687.

#### 4.12 Health

- \* Miguel, T. & Kremer, M. (2004), "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities," *Econometrica* 72(1), 159-217.
- Baird, Sarah, Joan Hamory Hicks, Michael Kremer, and Edward Miguel. (2016). "Worms at Work: Long-run Impacts of Child Health Gains", *Quarterly Journal of Economics*, 131(4), 1637-1680.
- Dupas, P., & Miguel, E. (2017). Impacts and determinants of health levels in low-income countries. In *Handbook of economic field experiments* (Vol. 2, pp. 3-93). North-Holland.
- Dupas, Pascaline "Health behavior in developing countries" *Annual Review of Economics* 3: 425-449 (2011)
- Kremer, M. and R. Glennerster (2011). "Improving health in developing countries: evidence from randomized evaluations." In M. V. Pauly, T. G. McGuire and P. P., Eds. *Handbook of Health Economics*: Elsevier.

#### 4.13 Migration

- \* Munshi, Kaivan "Networks in the Modern Economy: Mexican Migrants in the U.S. Labor Market." *Quarterly Journal of Economics* 118(2): 549-599 (2003)
- \* Yang, Dean "International Migration, Remittances, and Household Investment: Evidence from Philippine Migrants' Exchange Rate Shocks" *Economic Journal* 118(528): 591-630 (2008)
- Clemens, M. A. (2013). Why do programmers earn more in Houston than Hyderabad? Evidence from randomized processing of US visas. *American Economic Review*, 103(3), 198-202.
- Gibson, J. and D. McKenzie (2014). "The development impact of a best practice seasonal worker policy." *Review of Economics and Statistics* 96(2): 229-243.
- Clemens, M. A. (2011). Economics and emigration: Trillion-dollar bills on the sidewalk?. *Journal of Economic perspectives*, 25(3), 83-106.

#### **Disability Resource Center**

If you have a documented disability, please bring your documentation and come to talk to me as soon as possible so that I can make suitable accommodations for you. If you believe that you have a disability and desire accommodation, please register with the Disability Resource Center, GC 190 as soon as possible. The FIU Disability Resources Center strives to promote student success by working collaboratively with students, faculty and staff to create an inclusive educational environment. The university is committed to advancing students learning and enhancing personal development. Any information provided will be

kept confidential. Documentation of your disability will need to be sent to the Disability Resource Center (GC 190).

### **Religious Observance**

Accommodations will be made for students who wish to observe their religious holidays. Students should make their requests known at the beginning of the semester.

### **Academic Dishonesty**

Florida International University is a community dedicated to generating and imparting knowledge through excellent teaching and research, the rigorous and respectful exchange of ideas, and community service. All students should respect the right of others to have an equitable opportunity to learn and to honestly demonstrate the quality of their learning. Therefore, all students are expected to adhere to a standard of academic conduct, which demonstrates respect for themselves, their fellow students, and the educational mission of the University. All students are deemed by the University to understand that if they are found responsible for academic misconduct, they will be subject to the Academic Misconduct procedures and sanctions, as outlined in the Student Handbook. Academic Misconduct includes (but is not limited to) giving or receiving assistance on a test, quiz, or homework assignment for which such assistance is not permitted, falsifying a document to obtain an excusal from a test, having another person use a phony ID to take a test for you, and using unauthorized notes on a test or quiz.

I encourage you to read FIU's academic integrity policy:  
<http://integrity.fiu.edu/misconducts.html>