

Economics 270B: Development Economics (Ph.D. course)
Professor Edward Miguel (emiguel@berkeley.edu)
SPRING 2017 SYLLABUS

Description: This course covers current research topics and methods in Development Economics. It is appropriate for Ph.D. students in Economics and related fields.

Prerequisites: Graduate coursework in economic theory and econometrics.

Lectures: Monday 2-4pm, Evans 597.
Prof. Fred Finan (Dept. of Economics) will also give two lectures in the course.

Office hours: Please email Corinne Cooper (ccooper@berkeley.edu) for an appointment.

Extra discussion sections and office hours: Daniel Haanwinckel (haanwinckel@berkeley.edu) will hold extra office hours and serve as an additional resource person for the course.

Assignments and Grading:

(Note: assignments should be uploaded on bCourses by 2pm on the due date.)

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

-- Each referee report should be no more than 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.

-- These assignments will allow you to read and critique papers on the research frontier of development economics, and get a concrete sense of the quality of work being done by leading Ph.D. candidates in the field. These papers are also posted on bCourses.

-- Report 1 on Sara Lowes (Harvard) ““Blood Rubber: The Effects of Labor Coercion on Institutions and Culture in the Democratic Republic of Congo”, due Monday 2/6
[http://scholar.harvard.edu/files/slowes/files/lowes_montero_rubber.pdf]

-- Report 2 on Jack Willis (Harvard) “Time vs. State in Insurance: Experimental Evidence from Contract Farming in Kenya”, due Tuesday 2/21
[<http://scholar.harvard.edu/files/jwillis/files/jmp.pdf>]

-- Report 3 on Meredith Startz (Yale) “The value of face-to-face: Search and contracting frictions in Nigerian trade”, due Monday 3/6
[<https://sites.google.com/site/meredithstartz/research>]

-- Report 4 on Guo Xu (LSE) “The Costs of Patronage: Evidence from the British Empire”, due Monday 3/20 [http://www.guoxu.org/docs/empireJMP_Xu.pdf]

* Extra credit option for each referee report: please critically assess the presentation of data in each of the referee report papers. You can receive one point of extra credit for each report if you also include a detailed discussion of the shortcomings of one particular table / figure in the paper, and the concrete modifications you would make to improve the presentation of the data. (This does not count toward the 3 page limit for the referee report itself. Please restrict yourself to 1 page for this additional discussion of data presentation.) For a classic treatment on the presentation of quantitative data, refer to: Tufte, Edward R. (1983). *The Visual Display of Quantitative Information*. Cheshire: Graphics Press.

(2) Two problem sets (20 percent):

Problem sets require manipulation and analysis of datasets using STATA or R. I will ask you to apply some of the methods and approaches from the course to real data, and ask you to interpret the results. These assignments will provide good practice in applying econometric methods to data, something many (if not most) of you will need to do in your own research.

-- Problem set 1, posted Friday 3/24 and due Friday 4/7

-- Problem set 2, posted Friday 4/7 and due Monday 4/17

(3) One research proposal, 8-9 pages (30 percent):

The research proposal should briefly (3-4 pages) survey an existing literature in Development Economics, and then describe a planned research project (5-6 pages). Proposals should be in 12 point font, double-spaced with 1 inch margins. Proposals exceeding 9 pages in length will lose credit. This assignment will encourage you to generate, refine and receive feedback on a research idea that might form part of your dissertation.

-- The research proposal is due Friday 4/28 at 2pm (uploaded on bCourses).

(4) Class participation (10 percent): In borderline cases, attendance at lecture and the quality of classroom comments may be a factor in assigning grades. Active class participation enriches the course, benefiting other students (and me), and is highly encouraged.

(5) There are no exams.

Special Accommodations: If you need disability-related accommodations in this class, if you have emergency medical information you wish to share with me, or if you need special arrangements in case the building must be evacuated, please inform me immediately by email or in office hours.

Honor Code: The student community at U.C. Berkeley has adopted the following Honor Code: "As a member of the U.C. Berkeley community, I act with honesty, integrity, and respect for others." The hope and expectation is that you will adhere to this code.

COURSE SYLLABUS

I. Overview of international economic development

Lecture 1: Understanding economic growth and development (1/23)

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

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.

Henderson, J. Vernon, Adam Storeygard, and David N. Weil. (2012). "Measuring Economic Growth from Outer Space", *American Economic Review*, 102(2), 994-1028.

Additional readings:

Blumenstock, J.E., G. Cadamuro, and R. On. (2015). "Predicting Poverty and Wealth from Mobile Phone Metadata", *Science*, 350(6264), 1073-1076.

Spolaore, Enrico and Romain Wacziarg. (2013). "How Deep are the Root of Economic Development?", *Journal of Economic Literature*, 51(2), 325-369.

Lecture 2: Sectoral productivity gaps and misallocation (1/30)

Gollin, D., D. Lagakos, and M.E. Waugh. (2014). "The Agricultural Productivity Gap," *Quarterly Journal of Economics*, 129, 939-993.

Hicks, Joan Hamory, Marieke Kleemans, Nicholas Y. Li, and Edward Miguel. (2017). "Reevaluating agricultural productivity gaps with Longitudinal Microdata", unpublished working paper.

Additional readings:

Bryan, G., S. Chowdhury, and A. Mobarak. (2014). "Underinvestment in a Profitable Technology: The Case of Seasonal Migration in Bangladesh", *Econometrica*, 82, 1671-1748.

Hendricks, L. and T. Schoellman. (2016). "Human Capital and Development Accounting: New Evidence from Wage Gains at Migration", unpublished working paper.

II. Human capital in economic development

Lecture 3: The Psychology of poverty (2/6)

Haushofer, Johannes, and Jeremy Shapiro. (2016). "The Short-Term Impact of Unconditional Cash Transfers to the Poor: Evidence from Kenya", *Quarterly Journal of Economics*, 131(4), 1973-2042.

Kaur, Supreet, Michael Kremer, and Sendhil Mullainathan. (2015). "Self-control at Work", *Journal of Political Economy*, 123(6), 1227-1277.

Mani, Anandi, Sendhil Mullainathan, Eldar Shafir, and Jiaying Zhao. (2013). "Poverty Impedes Cognitive Function," *Science*, 341, 976-980.

Additional readings:

Haushofer, Johannes, and Ernst Fehr. (2014). "On the psychology of poverty", *Science*, 344, 862-867.

Lectures 4-5: Education (2/13, 2/27)

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.

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.

Jensen, Robert (2010). "The (Perceived) Returns to Education and the Demand for Schooling," *Quarterly Journal of Economics*, 125(2), 515-548.

Kremer, Michael, Rebecca Thornton, and Edward Miguel. (2009). "Incentives to Learn", *Review of Economics and Statistics*, 91(3), 437-456.

Muralidharan, Karthik and Venkatesh Sundararaman. (2011). "Teacher Performance Pay: Experimental Evidence from India", *Journal of Political Economy*, 119(1), 39-77.

Additional readings:

Glennester, Rachel, and Kudzai and Takavarasha. (2013). *Running Randomized Evaluations: A Practical Guide*. Princeton University Press.

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

Lectures 6-8: Health and nutrition (3/6, 3/13, 3/20)

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.

Das, Jishnu, Alaka Holla, Aakash Mohpal, and Karthik Muralidharan. (2016). "Quality and Accountability in Health Care Delivery: Audit-study Evidence from Primary Care in India", *American Economic Review*, 106(12), 3765-3799.

Dupas, Pascaline. (2014). "Short-run subsidies and long-run adoption of new health products: Evidence from a field experiment", *Econometrica*, 82(1), 197-228.

Gong, Erick. (2015). "HIV Testing and Risky Sexual Behavior", *Economic Journal*, 125, 32-60.

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

Additional readings:

Dupas, Pascaline, and Edward Miguel. "Impacts and Determinants of Health Levels in Low-Income Countries", forthcoming, *Handbook of Field Experiments*, (eds.) Esther Duflo and Abhijit Banerjee.

Greenstone, Michael, and Kelsey Jack. (2015). "Envirodevonomics: A research agenda for a young field", *Journal of Economic Literature*, 53(1), 5-42.

[SPRING BREAK – 3/27]

III. Political economy

Lectures 9-10: Corruption and institutions (4/3, 4/10) – by Prof. Fred Finan

Corruption

Ferraz, Claudio, and Frederico Finan. (2008). "Exposing Corruption politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes", *Quarterly Journal of Economics*, 123(2), 703-745.

Olken, Ben and Patrick Barron. (2009). "The Simple Economics of Extortion: Evidence from Trucking in Aceh", *Journal of Political Economy*, 117(3), 417-452.

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

Additional readings:

Fisman, Raymond and Edward Miguel. (2007). "Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets", *Journal of Political Economy*, 115(6), 1020-1048.

Institutions

Acemoglu, Daron, Suresh Naidu, Pascual Restrepo and James A. Robinson (2013) "Democracy, Redistribution and Inequality," in *Handbook of Income Distribution*, Volume 2B, Chapter 21.

Casey, Katherine, Rachel Glennerster, and Edward Miguel. (2012). "Reshaping institutions: Evidence on aid impacts using a pre-analysis plan", *Quarterly Journal of Economics*, 127(4), 1755-1812.

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

Sanchez de la Sierra, Raul (2015) "On the Origin of States: Stationary Bandits and Taxation in Eastern Congo", working paper.

Additional readings:

Dal Bó, Ernesto, Frederico Finan, and Martín A. Rossi (2013) "Strengthening State Capabilities: The Role of Financial Incentives in the Call to Public Service", *Quarterly Journal of Economics*, 128(3), 1169-1218.

Lectures 11-12: The political economy of conflict (4/17, 4/24)

Burke, Marshall, and Eoin McGuirk. (2017). "The Economic Origins of Conflict in Africa", unpublished working paper. [<http://www.nber.org/papers/w23056>]

Chassang, Sylvain, and Gerard Padro-i-Miquel. (2010). "Economic Shocks and Civil War", *Quarterly Journal of Political Science*, 4(3), 211-228.

Hsiang, Solomon, Marshall Burke, and Edward Miguel. (2013). "Quantifying the Influence of Climate on Human Conflict", *Science*, 10.1126/science.1235367.

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.

Powell, Robert. (2006). "War as a Commitment Problem", *International Organization*, 60, 169-203.

Additional readings:

Blattman, Christopher and Edward Miguel. (2010). "Civil War", *Journal of Economic Literature*, 48(1), 3-57.

IV. Extra topics (for Development Economics field exam)

Topic 1: The persistence of historical institutions

(Optional: read these articles during the President's Day holiday week, 2/20.)

Dell, Melissa. (2010). "The Persistent Effects of Peru's Mining *Mita*", *Econometrica*, 78(6), 1863-1903.

Michalopoulos, Stelios, and Elias Papaioannou. (2013). "Pre-colonial ethnic institutions and contemporary African development", *Econometrica*, 81(1), 113-152.

Nunn, Nathan. (2008). "The long-term effects of Africa's slave trades", *Quarterly Journal of Economics*, 123(1), 139-176.

Topic 2: Ethnic and social divisions

(Optional: read these articles during the Spring Break week, 3/27.)

Burgess, Robin, Remi Jedwab, Edward Miguel, Ameet Morjaria, Gerard Padro-i-Miquel. (2015). "The Value of Democracy: Evidence from Road Building in Kenya", *American Economic Review*, 105(6), 1817-1851.

Hjort, Jonas. (2014). "Ethnic Divisions and Production in Firms", *Quarterly Journal of Economics*, 1899-1946.

Rao, Gautam. (2013). "Familiarity does not breed contempt: Diversity, Discrimination and Generosity in Delhi Schools", unpublished working paper.

[<https://sites.google.com/site/graoeconomics/>]

Additional readings:

Easterly, William and Ross Levine. (1997). "Africa's Growth Tragedy: Policies and Ethnic Divisions", *Quarterly Journal of Economics*, 112(4), 1203-1250.

Topic 3: Environment and energy in economic development

(Optional: read these articles during Reading week, 5/1.)

Burke, Marshall, Solomon Hsiang, and Edward Miguel. (2015). "Global non-linear effect of temperature on economic production", *Nature*.

Hsiang, Solomon, and Amir Jina. (2014). "The Causal Effect of Environmental Catastrophe on Long-run Economic Growth: Evidence from 6,700 Cyclones", unpublished working paper.

Lee, Kenneth, Edward Miguel, and Catherine Wolfram. (2016). "Experimental Evidence on the Demand for and Costs of Rural Electrification", unpublished working paper.

Additional readings:

Dell, Melissa, Benjamin Jones and Benjamin Olken. (2014). "What Do We Learn from the Weather? The New Climate-Economy Literature", *Journal of Economic Literature*, 52(3), 740-798.