

Economics 270B: Development Economics (Ph.D. course)
Spring 2020 Syllabus (Version: 22 January 2020)
University of California, Berkeley

Professor Edward Miguel (email: emiguel@berkeley.edu)

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

Prerequisites: Ph.D.-level coursework in economic theory and econometrics.

Lectures: Monday 2-4pm, Evans Hall 597.

Office hours: Please sign up for office hours online at <https://bit.ly/2QQeCAv>.

Extra office hours: Madeline Duhon (mduhon@berkeley.edu) will serve as an additional resource person for the course.

Special Accommodations: If you need disability-related accommodations in this class, if you have emergency medical information you wish to share with us, or if you need special arrangements in case the building must be evacuated, please inform us 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 all students and course instructors will adhere to this code at all times.

Assignments and Grading:

(Note: assignments should be uploaded to 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. Prof. Alain de Janvry has prepared a useful guide to writing referee reports:

<https://are.berkeley.edu/courses/ARE251/2004/assignments/RRGuidelines.pdf>.

-- 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 Maddie McElway (MIT) "Vicious and Virtuous Cycles: Self-Efficacy and Employment of Women in India", due Friday February 7 [<https://economics.mit.edu/grad/mckelway/research>]

-- Report 2 on Suanna Oh (Columbia) "Does Identity Affect Labor Supply?", due Friday February 21 [<https://www.suannaoh.com/research>]

-- Report 3 on Odysia Ng (Stanford) "Does Gender Matter for Small Business Performance? Experimental Evidence from India", due Friday March 6 [<http://web.stanford.edu/~odysia/>]

-- Report 4 on Asad Liaqat (Harvard), "No Representation without Information: Politician Responsiveness to Citizen Preferences", due Friday March 20

[<https://scholar.harvard.edu/asadliaqat>]

* Extra credit option for each referee report: please critically assess the presentation of data in each of the 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 or figure in the paper, and the concrete modifications you would make to improve data presentation. (This does not count toward the 3-page limit for the referee report itself; please restrict yourself to 1 page for this additional discussion.) A classic treatment on the presentation of quantitative data is Tufte, Edward R. (1983). *The Visual Display of Quantitative Information*. Cheshire: Graphics Press.

(2) Two problem sets (20 percent):

-- Problem set 1, posted by Monday March 30 and due Friday April 10

PS1 will require econometric replication of a dataset used in a published paper. I will provide a set of papers for you to choose from. The assignment provides hands-on practice in applying econometric methods to data, something most of you will need to do in your own research.

-- Problem set 2, posted by Monday April 13 and due Friday April 24

For the same paper you replicate in PS1, you will be asked to examine robustness of main results and extend the econometric analysis.

(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. It is due Friday May 8 at 2pm (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 us), and is highly encouraged.

(5) Exams: There are no exams for this course. The Development Economics Ph.D. Field Exam this summer will cover all readings on this syllabus.

COURSE READING LIST

I. Overview of global development

Lecture 1: Understanding economic growth and development (1/27)

Banerjee, Abhijit and Esther Duflo (2007). "The Economic Lives of the Poor", *Journal of Economic Perspectives*, 21(1), 141-167.

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

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:

Jones, Charles I. (2016). "The Facts of Economic Growth", *Handbook of Macroeconomics*, Vol. 2A, (eds.) John B. Taylor and Harald Uhlig, Elsevier B.V.

Lecture 2: Sectoral productivity gaps and misallocation (for week of 2/17, no lecture)**

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. (2018). "Reevaluating agricultural productivity gaps with longitudinal microdata", 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. (2018). "Human Capital and Development Accounting: New Evidence from Wage Gains at Migration", *Quarterly Journal of Economics*, 133(2), 665-700.

II. Human capital

Lecture 3: Education I (2/3)

Akresh, Richard, Daniel Halim, and Marieke Kleemans. (2018). "Long-term and intergenerational Effects of Education: Evidence from School Construction in Indonesia", working paper.

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).

Additional readings:

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

Lecture 4: Education II (2/10)

Mbiti, Isaac, Karthik Muralidharan, Mauricio Romero, Youdi Schipper, Constantine Manda, and Rakesh Rajani. (2019). "Inputs, Incentives, and Complementarities in Education: Experimental Evidence from Tanzania", *Quarterly Journal of Economics*, 134(3), 1627-1673.

Muralidharan, Karthik, Abhijeet Singh, and Alejandro Ganimian. (2019). "Disrupting Education? Experimental Evidence on Technology-Aided Instruction in India", *American Economic Review*, 109(4), 1426-1460.

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

Additional readings:

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

Royal Swedish Academy of Sciences. (2019). "Scientific Background on the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel: Understanding Development and Poverty Alleviation" [<https://www.nobelprize.org/uploads/2019/10/advanced-economicsciencesprize2019.pdf>].

(Monday 2/17 President's Day Holiday – read Lecture 2 materials above.)

Lecture 5: Health I (2/24)

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.

Karing, Anne. (2018). "Social Signaling and Childhood Immunization: A Field Experiment in Sierra Leone", working paper.

Additional readings:

Dupas, Pascaline, and Edward Miguel. (2017). "Impacts and Determinants of Health Levels in Low-Income Countries", *Handbook of Field Experiments*, (eds.) Esther Duflo and Abhijit Banerjee.

Lecture 6: The Psychology of Poverty (3/2) – Guest lecture: Prof. Supreet Kaur

Mani, Anandi et al. (2013). "Poverty Impedes Cognitive Function." *Science*, 341(6149): 976-980.

Kaur, Supreet, Sendhil Mullainathan, Suanna Oh, and Frank Schilbach (2019). "Does Financial Strain Lower Productivity?" Working Paper.

Additional Readings:

Kremer, Michael, Gautam Rao, and Frank Schilbach (2019). "Behavioral Development Economics." *Handbook of Behavioral Economics*, Volume 2 – Section 10 only.

Haushofer, Johannes, and Ernst Fehr. (2014). "On the Psychology of Poverty." *Science*, 344.6186: 862-867.

Lecture 7: Health II (3/9)

Alsan, Marcella. (2015). "The Effect of the TseTse fly on African Development", *American Economic Review*, 105(1), 382-410.

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.

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:

Bouguen, Adrien, Yue Huang, Michael Kremer, and Edward Miguel. (2019). "Using RCT's to Estimate Long-Run Impacts in Development Economics", *Annual Review of Economics*, 11, 523-561.

III. Innovations in Research Design in Development Economics

Lecture 8: General Equilibrium Effects and Experimentation at Scale (3/16)

Burke, Marshall, Lauren Falcao Bergquist, and Edward Miguel. (2019). "Sell Low and Buy High: Arbitrage and Local Price Effects in Kenyan Markets", *Quarterly Journal of Economics*, 134(2): 785-842.

Cunha, Jesse M., Giacomo De Giorgi, and Seema Jayachandran. (2019). "The Price Effects of Cash Versus In-Kind Transfers", *Review of Economic Studies*, 86, 240-281.

Egger, Dennis, Johannes Haushofer, Edward Miguel, Paul Niehaus, and Michael Walker. (2019). "General Equilibrium Effects of Cash Transfers: Experimental Evidence from Kenya", *NBER Working Paper #26600*.

Additional Readings:

Muralidharan, Karthik, and Paul Niehaus. (2017). "Experimentation at Scale", *Journal of Economic Perspectives*, 31(4), 103-124.

(Monday 3/23 Spring Break Holiday – read Lecture 9 materials below.)

Lecture 9: Research Transparency and Open Science (for week of 3/23, no lecture)**

Anderson, Michael L., and Jeremy Magruder. (2017). "Split-Sample Strategies for Avoiding False Discoveries", *NBER Working Paper #23544*.

Christensen, Garret, Jeremy Freese, and Edward Miguel. (2018). *Transparent and Reproducible Social Science Research*, Chapters 1, 2, 3 and 6.

Additional Readings:

Christensen, Garret S., and Edward Miguel. (2018). "Transparency, Reproducibility, and the Credibility of Economics Research", *Journal of Economic Literature*, 56(3), 920-980.

Lecture 10: Infrastructure and Economic Growth (3/30)

Asher, Sam, and Paul Novosad. (2018). "Rural Roads and Local Economic Growth", working paper.

Campante, Filipe, & David Yanagizawa-Drott. (2018). "Long-range Growth: Economic Development in the Global Network of Air Links", *Quarterly Journal of Economics*, 133(3), 1395-1458.

Lee, Kenneth, Edward Miguel, and Catherine Wolfram. (2019). "Experimental Evidence on the Economics of Rural Electrification", forthcoming *Journal of Political Economy*.

Additional Readings:

Donaldson, Dave. (2018). "Railroads of the Raj: Estimating the Impact of Transportation Infrastructure", *American Economic Review*, 108(4-5), 899-934.

IV. Political Economy

Lecture 11: Institutions and development (4/6)

Acemoglu, Daron, Suresh Naidu, Pascual Restrepo, and James A. Robinson. (2019). "Democracy Does Cause Growth", *Journal of Political Economy*, 127(1), 47-100.

Casey, Katherine, Rachel Glennerster, & 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.

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.

George, Siddarth. (2019). "Like Father, Like Son? The Effect of Political Dynasties on Political Development", working paper.

Lecture 12: Corruption (4/13) – Guest Lecture Prof. Fred Finan

Avis, Eric, Claudio Ferraz, and Frederico Finan. (2018). "Do Government Audits Reduce Corruption? Estimating the Impacts of Exposing Corrupt Politicians", *Journal of Political Economy*, 126(5).

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

Additional readings:

Ferraz, Claudio, & 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.

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

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

Lecture 13: Religion and Culture in Economic Development (4/20)

Auriol, Emmanuelle, Julie Lassebie, Amma Panin, Eva Raiber, and Paul Seabright. (2019). "God Insures Those Who Pay? Formal Insurance and Religious Offerings in Ghana", working paper.

Bryan, Gharad T., James J. Choi, and Dean Karlan. (2018). "Randomizing Religion: The Impact of Protestant Evangelism on Economic Outcomes", *NBER Working Paper #24278*.

Bursztyn, Leonardo, Alessandra L. Gonzalez, and David Yanagizawa-Drott. (2018). "Misperceived Social Norms: Female Labor Force Participation in Saudi Arabia", working paper.

Additional readings:

Iyer, Sriya. (2016). "The New Economics of Religion", *Journal of Economic Literature*, 54(2).

Miguel, Edward. (2005). "Poverty and Witch Killing", *Review of Economic Studies*, 72, 1153-1172.

Lecture 14: The Political Economy of Conflict (4/27)

Burke, Marshall, and Eoin McGuirk. (2017). "The Economic Origins of Conflict in Africa", working paper.

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

Dell, Melissa, and Pablo Querubin. (2018). "Nation Building through Foreign Intervention: Evidence from Discontinuities in Military Strategies", *Quarterly Journal of Economics*, 133(2), 701-764.

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

Additional readings:

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

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

Lecture 15: Ethnic and social divisions (for week of 5/4, no lecture)**

Blouin, Arthur, and Sharun W. Mukand. (2019). "Erasing Ethnicity? Propaganda, Nation Building and Identity in Rwanda", *Journal of Political Economy*, 127(3), 1008-1062.

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*, 129(4), 1899-1946.

Rao, Gautam. (2019). "Familiarity does not breed contempt: Generosity, Discrimination and Diversity in Delhi Schools", *American Economic Review*, 109(3), 774-809.

Additional readings:

Laitin, David D., and Rajesh Ramachandran. (2018). "Linguistic Diversity, Official Language Choice and Human Capital: Africa's Growth Tragedy Revisited", working paper.