

Economics 270B: Graduate Development Economics
Professor Edward Miguel (emiguel@econ.berkeley.edu, 510-642-7162)
SPRING 2013 SYLLABUS

Description: This course covers leading research issues in Development Economics, with a particular focus on macroeconomic growth empirics, political economy, and human capital topics. It is taught at a level appropriate for Ph.D. students in Economics and related fields.

Prerequisites: Graduate coursework in microeconomics, macroeconomics, and econometrics.

Lectures: Monday 2-4pm, Evans 639

Office hours: Prof. Miguel's office hours are Monday 9:30-11:30am in Evans 647. Please email Jeanette Aguilar (jaguilar@berkeley.edu) for an appointment.

Extra office hours and sections: Jamie McCasland (jamiem@econ.berkeley.edu)

Assignments and Grading:

(Note: assignments should be emailed to me and Jamie by 2pm on the due date.)

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

-- Referee report 1 on Marcella Alsan (Harvard) "The Effect of the TseTse Fly on African Development" [<http://www.people.fas.harvard.edu/~malsan/tsetse.pdf>], due Monday 2/11

-- Referee report 2 on Laura Ralston (MIT) "Less Guns, More Violence: Evidence from Disarmament in Uganda" [<http://economics.mit.edu/files/8431>], due Monday 2/25

-- Referee report 3 on Ruixue Jia (Stockholm University) "Pollution for Promotion" [http://people.su.se/~rjia/papers/pollution_V7.4.pdf], due Monday 3/11

-- Referee report 4 on Vis Taraz (Yale) "Adaptation to Climate Change: Historical Evidence from the Indian Monsoon" [http://www.econ.yale.edu/~vt48/Vis_Taraz_jmp.pdf], due Friday 3/22

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 Monday 4/8

-- Problem set 2, due Monday 4/22

(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. It is due Friday 5/3.

(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.

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.

COURSE SYLLABUS

I. Macroeconomic growth empirics

Lecture 1: Global patterns of economic growth and development (1/28)

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.

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

Ravallion, Martin. (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.

Lecture 2: History and institutions (2/4)

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

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

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

II. Political economy

Lecture 3: Democracy and development (2/11)

[Referee report #1 due]

Acemoglu, Daron, Simon Johnson, James Robinson, and Pierre Yared. (2008). "Income and Democracy", *American Economic Review*, 98(3), 808-842.

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

Lecture 4: Political Connections and Rents (2/25)

[Referee report #2 due]

Dube, Arin, Ethan Kaplan, and Suresh Naidu (2011). "Coups, Corporations, and Classified Information", *Quarterly Journal of Economics*, 126(3), 1-35.

Fisman, Ray (2001). "Estimating the Value of Political Connections", *American Economic Review*, 91: 1095-1102.

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).

Lecture 5: The Political Economy of Violence (3/4)

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/>]

Ellman, Matthew, and Leonard Wantchekon. (2000). "Electoral Competition under the Threat of Political Unrest", *Quarterly Journal of Economics*, 115(2), 499-531.

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

Lecture 6: Conflict, Climate and Income (3/11)

[Referee report #3 due]

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

La Ferrara, Eliana, and Mariaflavia Harari. (2012). "Conflict, Climate and Cells: A Disaggregated Analysis", IGER Working paper #461.

[http://didattica.unibocconi.it/mypage/upload/49273_20121217_024208_WP461.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.

Background reading for lectures 5-6:

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

Lecture 7: Political Agency and Accountability (3/18) – Guest lecture Gustavo Bobonis
[Referee report #4 due]

Besley, Tim (2006) *Principled Agents: Selection and Incentives in Politics*, Oxford University Press, chapter 4, pp. 174-226.

Bobonis, Gustavo J., Luis R. Cámara-Fuertes, and Rainer Schwabe (2012). "The Dynamic Effects of Information on Political Corruption: Theory and Evidence from Puerto Rico", unpublished manuscript, University of Toronto.

[http://homes.chass.utoronto.ca/~bobonis/BCS_PRAudit_11-05.pdf]

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.

[3/25 – Spring break]

Lecture 8: Politician Motivations and Selection (4/1) – Guest lecture Ernesto Dal Bo

Dal Bó, Ernesto, Frederico Finan, and Martín A. Rossi (2011) "Strengthening State Capabilities: The Role of Financial Incentives in the Call to Public Service", unpublished working paper.

Ferraz, Claudio and Frederico Finan (2010). "Motivating Politicians: The Impacts of Monetary Incentives on Quality and Performance", unpublished working paper.

III. Human resources

Lecture 9: Human capital and income growth (4/8)

[Problem Set #1 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.

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

Lecture 10: Health, nutrition and income (4/15)

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.

Baird, Sarah, Joan Hamory Hicks, Michael Kremer, and Edward Miguel. (2012). "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.

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

Lecture 11: The demand for health (4/22)

[Problem set #2 due]

Dupas, Pascaline. (2011). "Health behavior in developing countries", *Annual Review of Economics*, 3, 425-449.

Kremer, Michael, and Edward Miguel. (2007). "The Illusion of Sustainability", *Quarterly Journal of Economics*, 112(3), 1007-1065.

Thornton, Rebecca. (2008). "The Demand for, and Impact of, Learning HIV Status", *American Economic Review*, 98(5), 1829-1863.

Lecture 12: Mobile technology impacts (4/29)

[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.

Jack, William, and Tavneet Suri. (2012). "Risk sharing and transaction costs: evidence from Kenya's mobile money revolution", forthcoming, *American Economic Review*.
[http://www.mit.edu/~tavneet/Jack_Suri.pdf]

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.

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

-- Inequality and growth

Banerjee, Abhijit, and Esther Duflo. (2003). "Inequality and Growth: What Can the Data Say?" *Journal of Economic Growth*, 8(3), 267-299.

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

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

-- Corruption

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 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.

-- Incentives to increase human capital

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.

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.