

**Advanced Development Economics**  
**AEDE 7425 – Spring 2018**  
**Course Syllabus**

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Office Hours: Tuesdays, 9:30 to 10:30 a.m., or by appointment

Description

This course is an introduction to the micro aspects of development economics. The goals of this course are to familiarize you with the key theoretical models, current empirical evidence and identification strategies in the field and to help you identify research topics and refine research in progress. Class meetings will be part lecture and part discussion; all students are expected to complete assigned readings before class.

Class Meetings

12:45 p.m. to 2:05 p.m., Tuesdays and Thursdays, Kottman Hall 116

Course Materials

There is no textbook for this course. Readings are available through the library's electronic journals or via the links included in the reading list. Others will be posted on Carmen.

Grading

Course grades will be weighted as follows: participation in class discussion (10%); referee reports and presentations (2 @ 25% each); and paper proposal (40%).

**Referee Reports and Presentation.** Sign up for two papers from those listed under “Student Presentations” below. For each paper, you will prepare a referee report similar to what you would prepare at the request of a journal editor. The report should be 2-3 pages, single-spaced. It should begin with a brief summary of the article (objectives, theoretical approach, empirical strategy, results), followed by a discussion of the shortcomings of the paper. You should also provide suggestions for addressing your concerns, as well as an explicit evaluation of how the paper contributes to the existing literature. You will lead the class in a discussion of your selected paper (35-40 minutes, please provide slides), following a format similar to your referee report. Your report and presentation materials are due on the date of the presentation.

**Paper Proposal.** Due on **Friday, April 28** and should be 7-10 pages, single-spaced. This exercise should provide you with all the building blocks for a full-length empirical research paper – *e.g.*, your second year paper. In the first section of the proposal, describe your research question and the motivation for this question (*i.e.*, “Why do we care?” – policy relevance, gap in the literature, incomplete understanding of incentives/behavior, etc.). Then, describe how your research fits into the existing literature and what its contribution will be. The next two sections are where this exercise diverges from a typical paper. First, describe what kind of experiment or randomized control trial you would do, and why, if there were no constraints whatsoever (financial, temporal, ethical, logistical). This will help you understand what kind of exogenous variation is needed to answer the

question you are interested in. Second, describe what your ideal dataset would look like, if you could not perform an experiment or RCT. Be specific – *e.g.*, do you need longitudinal data or repeated cross-sections, how many geographic areas and how diverse do they need to be, what might you use as instrumental variables (if applicable), would you collect biological specimens or give cognitive tests, etc. This will help you understand what kind of data are needed to answer the question you are interested in, given that you live in the real world. To conclude, describe what kind of results you expect to obtain and what features of the economic environment you think will be most important (*e.g.*, openness to trade, property rights, governance).

### **Academic Accommodations**

**The University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability (including mental health, chronic or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. SLDS contact information: [slds@osu.edu](mailto:slds@osu.edu); 614-292-3307; [slds.osu.edu](http://slds.osu.edu); 098 Baker Hall, 113 W. 12th Avenue.**

### **Mental Health Statement**

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. The Ohio State University offers services to assist you with addressing these and other concerns you may be experiencing. If you or someone you know are suffering from any of the aforementioned conditions, you can learn more about the broad range of confidential mental health services available on campus via the Office of Student Life's Counseling and Consultation Service (CCS) by visiting [ccs.osu.edu](http://ccs.osu.edu) or calling 614-292-5766. CCS is located on the 4th Floor of the Younkin Success Center and 10th Floor of Lincoln Tower. You can reach an on call counselor when CCS is closed at 614-292-5766 and 24 hour emergency help is also available through the 24/7 National Suicide Prevention Hotline at 1-800-273-TALK or at [suicidepreventionlifeline.org](http://suicidepreventionlifeline.org).

### **Academic Misconduct**

It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term "academic misconduct" includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. Instructors shall report all instances of alleged academic misconduct to the committee (Faculty Rule 3335-5-487). For additional information, see the Code of Student Conduct <http://studentlife.osu.edu/csc/>.

## Course Calendar and Required Readings

### Empirical Methods

#### **January 9, 11, 16, and 18**

- Duflo, E. 2002. “Empirical Methods.” Handout from MIT course 14.771. Available at [http://web.mit.edu/14.771/www/emp\\_handout.pdf](http://web.mit.edu/14.771/www/emp_handout.pdf).
- Angrist, J. and A. Krueger. 2001. “Instrumental Variables and the Search for Identification: From Supply and Demand to Natural Experiments.” *Journal of Economic Perspectives*. 15(4), 69-87.
- Rosenzweig, M. and K. Wolpin. 2000. “Natural ‘Natural Experiments’ in Economics.” *Journal of Economic Literature*. 38(4), 827-74.
- Deaton, Angus. 2010. “Instruments, Randomization, and Learning about Development.” *Journal of Economic Literature*. 48(2), 424-455.
- Duflo, Esther, Rachel Glennerster, and Michael Kremer. 2007. “Using Randomization in Development Economics Research: A Toolkit.” Centre for Economic Policy Research Discussion Paper No. 6059.
- Christensen, Garret and Courtney Soderberg. 2015. “Manual of Best Practices in Transparent Social Science Research.” *Unpublished Manuscript*, Berkeley Initiative for Transparency in Social Sciences.

### Data Exercise

#### **January 23**

- Angrist, J. and A. Krueger. 1991. “Does Compulsory School Attendance Affect Schooling and Earnings?” *Quarterly Journal of Economics*. 106(4), 979-1014.  
<https://economics.mit.edu/faculty/angrist/data1/data/angkru1991>

### Land and Labor Markets

#### **January 25 and 30, February 1**

- Besley, T. 1995. “Property Rights and Investment Incentives: Theory and Evidence from Ghana.” *Journal of Political Economy*. 103(5), 903-37.
- Field, E. 2007. “Entitled to Work: Urban Property Rights and Labor Supply in Peru.” *Quarterly Journal of Economics*. 122(4), 1561-1602.
- Jacoby H., G. Li and S. Rozelle. 2002. “Hazards of Expropriation: Tenure Insecurity and Investment in Rural China.” *American Economic Review*. 92(5), 1420-1447.
- Otsuka, K., H. Chuma and Y. Hayami. 1992. “Land and Labor Contracts in Agrarian Economies.” *Journal of Economic Literature*. 30(4), 1965-2018.
- Shaban, R. 1987. “Testing Between Competing Models of Sharecropping.” *Journal of Political Economy*, Vol. 95, 1987, 893-920.
- Strauss, John. 1986. “Does Better Nutrition Raise Farm Productivity?” *Journal of Political Economy*. 94(2), 297-320.
- Foster, A. and M. Rosenzweig. 1994. “A Test for Moral Hazard in the Labor Market: Contractual Arrangements, Efficiency and Health.” *Review of Economics and Statistics*. 76(2), 213-227.
- Jayachandran, S. 2006. “Selling Labor Low: Wage Responses to Productivity Shocks in Developing Countries.” *Journal of Political Economy*. 114 (3), 538-575.
- Kochar, Anjini. 1999. “Smoothing Consumption by Smoothing Income: Hours-of-Work Responses to Idiosyncratic Agricultural Shocks in Rural India.” *Review of Economics and Statistics*. 81(1), 50-61.

Student Presentations: New Research on Land and Labor

**February 6**

- Foster, Andrew and Mark Rosenzweig. 2017. "[Are There Too Many Farms in the World? Labor-Market Transaction Costs, Machine Capacities and Optimal Farm Size.](#)" NBER Working Paper No. 23909.
- Dupas, Pascaline, Jonathan Robinson, and Santiago Saavedra. 2017. "[The Daily Grind: Cash Needs, Labor Supply and Self-Control.](#)" *Unpublished Manuscript*, Stanford University.

Intra-household Allocation

**February 8**

- Browning, M. and P. Chiappori. 1998. "Efficient Intra-Household Allocations: A General Characterization and Empirical Tests." *Econometrica*. 66(6), 1241-1278.
- McElroy, Marjorie and Mary Jean Horney. 1981. "Nash-Bargained Household Decisions: Toward a Generalization of the Theory of Demand." *International Economic Review*. 22(2), 333-349.
- Duflo, Esther. 2003. "Grandmothers and Granddaughters: Old Age Pension and Intra-Household Allocation in South Africa." *World Bank Economic Review*. 17(1), 1-25.
- Lundberg, Shelly and Robert Pollak. 1993. "Separate Spheres Bargaining and the Marriage Market." *Journal of Political Economy*. 101(6), 988-1010.
- Udry, Christopher. 1996. "Gender, Agricultural Production and the Theory of the Household." *Journal of Political Economy*, 104(5), 1010-1045.
- Chen, Joyce. 2013. "Identifying Non-Cooperative Behavior Among Spouses: Child Outcomes in Migrant-Sending Households." *Journal of Development Economics*. 100(1), 1-18.

Student Presentations: New Research on Intra-Household Allocation

**February 13**

- Heath, Rachel and Xu Tan. 2016. "[Intrahousehold Bargaining, Female Autonomy, and Labor Supply: Theory and Evidence from India.](#)" *Unpublished Manuscript*, University of Washington.
- Gallego, Franciso, Ofer Malamud, and Cristian Pop-Eleches. 2017 "[Parental Monitoring and Children's Internet Use: The Role of Information, Control, and Cues.](#)" *Unpublished Manuscript*, Columbia University.

**February 15**

**NO CLASS (make-up on Friday, February 23)**

Nutrition and Health

**February 20 and 22**

- Strauss, J. and D. Thomas. 1998. "Health, Nutrition and Economic Development." *Journal of Economic Literature*. 36(2), 766-817.
- Rosenzweig, M. and T.P. Schultz. 1982. "Market Opportunities, Genetic Endowments and the Intrafamily Distribution of Resources: Child Survival in Rural India." *American Economic Review*. 72(4), 803-815.
- Dasgupta, P. and D. Ray. 1986. "Inequality as a Determinant of Malnutrition and Unemployment: Theory." *Economic Journal*, 96(384), 1011-1034.
- Jensen, Robert and Nolan Miller. 2008. "Giffen Behavior and Subsistence Consumption," *American Economic Review*, 98(4), 1553-1577.
- Cohen, Jessica and Pascaline Dupas. 2010. "Free Distribution or Cost-Sharing? Evidence from a Randomized Malaria Prevention Experiment." *Quarterly Journal of Economics*. 125(1), 1-45.

- Miguel, Edward and Michael Kremer. 2004. “Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities.” *Econometrica*. 72 (1), 159-217.
- Aiken, A., C. Davey, J. Hargreaves and R. Hayes. 2015 “Re-analysis of health and educational impacts of a school-based deworming programme in western Kenya: a pure replication.” *International Journal of Epidemiology*. 44(6),1572–80

Student Presentations: New Research on Health

**February 23 \*\* Make-up Class \*\***

- Friedman, Willa. 2015. “[Antiretroviral Drug Access and Behavior Change](#).” *Unpublished Manuscript*, University of Houston.
- Bennett, Daniel and Wesley Yin. 2017. “[The Market for High-Quality Medicine: Retail Chain Entry and Drug Quality in India](#).” *Unpublished Manuscript*, University of Southern California.

Data Exercise

**February 27**

- Glewwe, Paul, Michael Kremer, and Sylvie Moulin. 2009. “Many Children Left Behind? Textbooks and Test Scores in Kenya.” *American Economic Journal: Applied Economics*. 1(1), 112-135.  
[data available via course page on Carmen]

Education

**March 1 and 6**

- Dufo, 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.
- Bursztyjn, Leonardo and Robert Jensen. 2015. “How Does Peer Pressure Affect Educational Investments?” *Quarterly Journal of Economics*. 130(3), 1329-1367.
- Evans, D. and A. Popova. 2016. “What Really Works to Improve Learning in Developing Countries? An Analysis of Divergent Findings in Systematic Reviews.” *World Bank Research Observer*. 31(2), 242-270.
- Rosenzweig, Mark. 1995. “Why Are There Returns to Schooling?” *American Economic Review*. 85(2), 153-158
- Foster, A. and M. Rosenzweig. 1996. “Technical Change and Human Capital Returns and Investments: Evidence from the Green Revolution.” *American Economic Review*. 86(4), 931-953.
- Pitt, M., M. Rosenzweig and N. Hassan. 2012. “Human Capital Investment and the Gender Division of Labor in a Brawn-Based Economy.” *American Economic Review*. 102(7), 3531-60.

Student Presentations: New Research on Education

**March 8**

- Jensen, Robert and Nolan Miller. 2017. “[Keepin’ ‘Em Down on the Farm: Migration and Strategic Investment in Children’s Schooling](#).” *Unpublished Manuscript*, University of Pennsylvania.
- Aker, Jenny and Christopher Ksoll. 2017. “[Call Me Educated: Evidence from a Mobile Monitoring Experiment in Niger](#).” *Unpublished Manuscript*, Tufts University.

**March 13-15**

**SPRING BREAK**

**March 20**

**NO CLASS (make-up on Friday, March 30)**

## Migration

### **March 22, 27, and 29**

- Harris, J. and M. Todaro. 1970. "Migration, Unemployment and Development: A Two-Sector Analysis." *American Economic Review*. 60(1), 126-42.
- Borjas, George. 1987. "Self-Selection and the Earnings of Immigrants." *The American Economic Review*. 77(4), 531-553
- Stark, Oded and David Bloom. 1985. "The New Economics of Labor Migration." *American Economic Review*. 75(2), 173-178.
- Chiquiar, Daniel and Gordon Hanson. 2005. "International Migration, Self-Selection, and the Distribution of Wages: Evidence from Mexico and the United States." *Journal of Political Economy*. 113(2), 239-281.
- Rosenzweig, M. and O. Stark. 1989. "Consumption Smoothing, Migration and Marriage: Evidence from Rural India." *Journal of Political Economy*. 97(4), 905-926.
- Munshi, Kaivan, and Mark Rosenzweig. 2016. "Networks and Misallocation: Insurance, Migration, and the Rural-Urban Wage Gap." *American Economic Review*. 106(1), 46-98.
- Yang, Dean. 2008. "International Migration, Remittances, and Household Investment: Evidence from Philippine Migrants' Exchange Rate Shocks." *Economic Journal*. 118(528), 591-630.

## Student Presentations: New Research on Migration

### **March 30 \*\* Make-up Class \*\***

- Nakamura, Emi, Josef Sigurdsson, and Jon Steinsson. 2017. "[The Gift of Moving: Intergenerational Consequences of a Mobility Shock](#)." *Unpublished Manuscript*, Columbia University.
- Akram, Agha Ali, Shyamal Chowdhury, and Mushfiq Mobarak. 2017. "[Effects of Emigration on Rural Labor Markets](#)." *Unpublished Manuscript*, Yale University.

## Population and Fertility

### **April 3 and 5**

- Johnson, D. G. 2000. "Population, Food, and Knowledge." *American Economic Review*. 90(1), 1-14.
- Kremer, M. 1993. "Population Growth and Technological Change: 1,000,000 B.C. to 1990." *Quarterly Journal of Economics*. 108(3), 681-716.
- Galor, O. and D. Weil. 1996. "The Gender Gap, Fertility, and Growth." *American Economic Review*. 86(3), 374-87.
- Galor, Oded and David N. Weil. 2000. "Population, Technology and Growth: From Malthusian Stagnation to the Demographic Transition and Beyond." *American Economic Review*. 90(4), 806-828.
- Becker, Gary and H. Gregg Lewis. 1976. "On the Interaction between the Quantity and Quality of Children." *Journal of Political Economy*. 81( 2), Part 2, S279-S288.
- Becker, Gary and Nigel Tomes. 1976. "Child Endowments and the Quantity and Quality of Children." *Journal of Political Economy*. 84(4), Part 2, S143-S162.

## Student Presentations: New Research on Population and Fertility

### **April 10**

- McCarthy, Aine. 2016. "[His and Her Fertility Preferences: An Experimental Evaluation of Asymmetric Information in Tanzania](#)." *Unpublished Manuscript*, Lewis & Clark.
- Vogl, Tom. 2017. "[Aggregating the Fertility Transition: Intergenerational Dynamics in Quality and Quantity](#)." *Unpublished Manuscript*, Princeton University.



Development and Environment

**April 12 and 17**

- Greenstone, M. and B. Jack. 2015. "Envirodevonomics: A Research Agenda for an Emerging Field." *Journal of Economic Literature*. 53(1), 5-42.
- Jayachandran, S. 2009. "Air Quality and Early-Life Mortality: Evidence from Indonesia's Wildfires." *Journal of Human Resources*. 44(4), 916-954.
- Alix-Garcia, Jennifer M., Katharine R. E. Sims, and Patricia Yañez-Pagans. 2015. "Only One Tree from Each Seed? Environmental Effectiveness and Poverty Alleviation in Mexico's Payments for Ecosystem Services Program." *American Economic Journal: Economic Policy*. 7(4), 1-40.
- Dell, M., B. Jones, and B. Olken. 2014. "What Do We Learn from the Weather? The New Climate-Economy Literature." *Journal of Economic Literature*. 52(3), 740-98.
- Gray, Clark L., and Valerie Mueller. 2012. "Natural Disasters and Population Mobility in Bangladesh." *Proceedings of the National Academy of Sciences*. 109(16), 6000-6005.
- Burke, Marshall and Kyle Emerick. 2016. "Adaptation to Climate Change: Evidence from US Agriculture." *American Economic Journal-Economic Policy*. 8(3), 106-140.

Student Presentations: New Research on Development and Environment

**April 19**

- Garg, Teevrat. 2017. "[Ecosystems and Human Health: The Local Benefits of Forest Cover in Indonesia](#)." *Unpublished Manuscript*, UCSD.
- Jack, Kelsey, Seema Jayachandran, and Sarojini Rao. 2017. "[Environmental Externalities and Free-Riding in the Household](#)." *Unpublished Manuscript*, Northwestern University.

**April 28**

**PAPER PROPOSAL DUE**