

**Econ 8774: Economic Development
Spring 2019 Course Syllabus (Preliminary)**

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Office Hours: Tu/Th: 2-3 and by appointment

Class Time and location: Econ 5 Tuesday and Thursday 11:00 - 12:15pm

Course Description

This is a graduate course in development economics. The primary goal of this course is to prepare students for original research within the field of Development Economics. The course readings focus on empirical papers with an emphasis on human capital.

The primary goal of this course is to build skills in reading and writing applied microeconomic papers. Accordingly, I have put less emphasis on giving a thorough overview of the literature and more emphasis on teaching a fewer papers in detail. The focus on human capital will help demonstrate the wide array of topics that can be worked on in one area.

Prerequisites

PH.D. Microeconomic Theory and Econometrics. I'm also assuming you have learnt many of the applied models through classes such as Applied Microeconomics or Labor.

Textbook

There is no required textbook for this course. However, I have put together a list of resources that may have useful supplementary material.

Requirements and Grading

<u>Assignment</u>	<u>Weight</u>	<u>Due Date</u>
Class participation and reading	10%	Beginning of each class
1 Referee Report	10%	TBA
Presentation of article		

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Tentative Class Schedule

WEEK OF	TUESDAY	THURSDAY
1 – Jan 14	1. Impact Evaluation: Randomized Experiments	
2 – Jan 21	2a. Social Policy Experiment: CCTs and Short-Term Effects	

Useful Books and Methods Articles

Development Textbooks

- Bardhan, Pranab and Christopher Udry. 1999. *Development Microeconomics*. New York: Oxford University Press.
- Deaton, Angus. 1997. *The Analysis of Household Surveys: A Microeconometric Approach to Development Policy*. Baltimore, Maryland: The World Bank.
- De Janvry, Alain and Elisabeth Sadoulet. 2016. *Development Economics: Theory and Practice*. New York: Routledge.
- Ray, Debraj. 1998. *Development Economics*. Princeton, N.J.: Princeton University Press.
- H. Chenery, T.N. Srinivasan, J. Behrman, T. Schultz, and J. Strauss, eds. *Handbook of Development Economics*, Vol. 1-4. Published by Elsevier.

You may also want to check out some these more popular press titles: Poor Economics, Why Nations Fail, The Bottom Billion, The End of Poverty, The White Man's Burden, Development as Freedom, Economic Gangsters ...

Helpful Articles on Econometric Methods

- Abadie and Cattanio. 2018. "Econometric Methods for Program Evaluation". *Annual Review of Economics*, 10:465-503.
- Angrist, Joshua D. and Alan B. Krueger. 1999. "Empirical Strategies in Labor Economics." *Handbook of Labor Economics*, Vol. 3, Ch. 23, Ed. O. Ashenfelter and D. Card.
- Angrist, Imbens, and Rubin. 1996. "Identification of Causal Effects Using Instrumental Variables," *Journal of the American Statistical Association*. 91(434):444-455.
- Anderson, M. 2008. "Multiple Inference and Gender Difference in the Effects of Early Interventions: A Reevaluation of the Abecedarian, Perry Preschool, and Early Training Projects." *Journal of American Statistical Association* 103(484):1481-1495.
- Athey, S., and G.W. Imbens. 2017. "The Econometrics of Randomized Experiments." Banerjee, A. and E. Duflo, (eds.), *Handbook of Economic Field Experiments*. Volume 1. Elsevier.
- Bertrand, Duflo, Mullainathan. 2004. "How Much Should We Trust Differences-in-Differences Estimates? *The Quarterly Journal of Economics*, 119(1):249-275.
- Deaton, Angus. 1993. "Data and Econometric Tools for Development Analysis." *Handbook of Development Economics*, Vol. 3, Ch. 33, Ed. J. Behrman and T.N. Srinivasan.
- Duflo, Esther, Rachel Glennerster, and Michael Kremer. 2008. "Randomization in Development Economics Research: A Toolkit." *Handbook of Development Economics*, Vol. 4, Ch. 61.
- Gertler, Martine, Premand, Rawlings, Vermeersch. 2011. *Impact Evaluation in Practice*. The World Bank (https://siteresources.worldbank.org/EXT/HDOFFICE/Resources/5485726-1295455628620/Impact_Evaluation_in_Practice.pdf)
- Imbens and Wooldridge. 2009. "Recent Developments in the Econometrics of Program Evaluation." *Journal of Economic Literature*, 47(1): 5-86.
- Todd, Petra E. 2008. "Evaluating Social Programs with Endogenous Program Placement and Selection of the Treated." *Handbook of Development Economics*, Vol.4, Ch. 60. Pp. 3847-3894.

Philippe Aghion, Peter Howitt, and Fabrice Murtin (2011) "The Relationship Between Health and Growth: When Lucas Meets Nelson-Phelps," *Review of Economics and Institutions*, Vol. 2(1): 1- 24.

B. Effect of Early Childhood Intervention on Human Capital

February 7: Barham, Tania. 2012. "Enhancing Cognitive Functioning: Medium-Term Effects of Health and Family Planning Program in Matlab," *American Economic Journal: Applied Economics*, 4(1), 245-73.

February 7/12: Field, Erica, Omar Robles and Maximo Torero. 2009. "Iodine Deficiency and Schooling Attainment in Tanzania" *American Economic Journal: Applied Economics* 1(4): 140-169.

*****February 12:** Miguel, Edward and Michael Kremer (2004). "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities", *Econometrica*, 72(1), 159-217.

Supplemental Reading:

Barker, D. J. P., ed. 1992. *Fetal and Infant Origins of Adult Disease*. London: British Medical Journal. (we will read a review article).

Heckman, James J. 2007. "The Technology, and Neuroscience of Human Capital Formation." *Proceedings of the National Academy of Sciences*, 104(33): 13250-13255.

Almond, Douglas and Currie, Janet. 2011. "Killing Me Softly: The Fetal Origins Hypothesis" *Journal of Economic Perspectives*, 25(3): 153-172.

Maluccio, John, et al. 2009. "The Impact of Improving Nutrition during Early Childhood on Education among Guatemalan Adults". *Economic Journal* 119(537): 734-763.

Bharadwaj, Prashant, Katrine Vellesen Løken, and Christopher Neilson. 2013. "Early Life Health Interventions and Academic Achievement." *American Economic Review*, 103(5): 1862-91.

Jayachandran, Seema, Adriana Lleras-Muney. 2009. Life Expectancy and Human Capital Investments: Evidence from Maternal Mortality Declines *Quarterly Journal of Economics*, 124 (1): 349-397.

C. Effect of Health and Nutrition on Income

February 14: Baird, S, J. Hicks, M. Kremer, E Miguel. 2016. Worms at Work: Long-Run of a Child Health Investment. *Quarterly Journal of Economics*, 131(4):1637-1680. (RCT)

February 14: Barham, T, Kuhn, R and P. Turner. 2018. “No Place Like Home: Long-Run Impacts of Early Child Health and Family Planning” mimeo. (quasi-random experiment)

*****February 19:** Bleakley, Hoyt. 2010. "Malaria Eradication in the Americas: A Retrospective Analysis of Childhood Exposure." *American Economic Journal: Applied Economics*, 2(2): 1-45. (Spatial variation)

Supplementary Reading:

Almond, Almond, D., J. Currie, and V. Duque, “Childhood Circumstance and Adult Outcomes: Act II,” *Journal of Economic Literature*, 2018, 56(4), 1360–1446.

Hoddinott, J., J.A. Maluccio, J.R. Behrman, R. Flores, and R. Martorell. 2008. “Effect of a Nutrition Intervention During Early Childhood on Economic Productivity in Guatemalan Adults,” *The Lancet*. 371(9610): 411–416.

Cutler, D., Fung, W., Kremer, M., Singhal, M., Vogl, T. 2010, “Early-life Malaria Exposure and Adult Outcomes: Evidence from Malaria Eradication in India,” *American Economic Journal: Applied Economics*, 2(2): 72-94.

Gertler, P., J. Heckman, R. Pinto, A. Zanolini, C. Vermeersch, S. Walker, S. Chang, and S. Grantham-McGregor, “Labor Market Returns to an Early Childhood Stimulation Intervention in Jamaica,” *Science*, 2014, 344 (6187), 998-1001.

Strauss, J., and Thomas, D., “Health over the Life Course” (pp. 3375– 3465), in T. Paul Schultz and John Strauss (eds.), *Handbook of Development Economics* (Elsevier, 2008).

D. HIV/Aids

March 7: Thornton, Rebecca. 2008. “The Demand for, and Impact of, Learning HIV Status.” *American Economic Review*, 98(5): 1829–1863.

Supplemental Readings:

Dupas, Pascaline. 2011. “Do Teenagers Respond to HIV Risk Information? Evidence from a Field Experiment in Kenya.” *American Economic Journal: Applied Economics*, 3(1): 1-34.

Gong, Eric. 2014 “HIV Testing and Risky Sexual Behavior” *The Economic Journal*, 125(582):32-60.

Evans, D., and E. Miguel. 2007. "Orphans and Schooling in Africa: A Longitudinal Analysis," *Demography*, 44(1): 35-57.

Kremer, Michael. 2002. "Pharmaceuticals and the Developing World," *Journal of Economic Perspectives*, 16(4): 67-90.

February 28: Guest Speaker: Patrick Turner

4. Education

*****March 7:** Lucas, A and I. Mbiti. 2014. "Effects of School Quality on Student achievement: Discontinuity Evidence from Kenya," *American Economic Journal: Applied Economics*, 6(3): 234-263.

Supplementary Reading:

Angrist, Joshua D. and Victor Lavy. 1999. "Using Maimonides' Rule to Estimate the Effect of Class Size on Scholastic Achievement." *The Quarterly Journal of Economics*, 114(2): 533-575.

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.

Banerjee, Abhijit and Esther Duflo. 2006. "Addressing Absence." *Journal of Economic Perspectives*, 20(1): 117-132.

Card, David. 1999. "The Causal Effect of Education on Earnings." *Handbook of Labor Economics*, Vol. 3, Ch. 30.

Duflo, Esther. 2001. "Schooling and Labor Market Connection: School Construction in America" *Economic Review*, ()Tj0 -1.16 TD916(4)7935-

Duflo, Esthe,cRema H
omle to2School."BREADg WokpingPapme Nlo.1053.

Kremer. 2006. "Schools, Teacher Performance, and Education Outcomes in Developing Countries." *Handbook of the Economics of Education*,

Pectivd)cRetourre to Education and the Demand
Quarterly Journal of Economic, 2): 135-489. (Retourre to Educatio))Tj()TjT*()Tj0 -1.14 TD(Kremer, Micl

Rosenzweig, Mark R. 2010. "Microeconomic Approaches to Development: Schooling, Learning, and Growth." *Journal of Economic Perspectives*, 24(3): 81-96.

5. Fertility

Supplementary Readings:

Borjas, George, 1987. "Self-Selection and the Earnings of Immigrants," *American Economic Review*, 77(4), 531-53.

Covarrubias, Matias, Jeanne Lafortune and Jose Tessada (2015), "Who comes and Why? Determinants of Immigrants Skill Level in early XXth century US", *Journal of Demographic Economics*, Vol. 81 (1), 115-155.

Leah Boustan, Ran Abramitzky and Katherine Eriksson (2013), "Europe's Tired, Poor, Huddled Masses: Self-Selection and Economic Outcomes in the Age of Mass Migration," *American Economic Review*.

Rosenzweig, Mark, 2006. "Global Wage Differences and International Student Flows," Brookings Trade.

McKenzie, David, Caroline Theoharides, and Dean Yang. (2014). "Distortions in the International Migrant Labor Market: Evidence from Filipino Migration and Wage Responses to Destination Country Economic Shocks." *American Economic Journal: Applied Economics*, Vol. 6 (2): 49-75.

B. Effects of Migration

April 4: Yang, Dean. 2008. "International Migration, Remittances, and Household Investment: Evidence from Philippine Migrants' Exchange Rate Shocks," *Economic Journal*, 118 (528): 591-630. (IV)

Supplementary Reading:

McKenzie, David, J. Gibson and S. Stillman (2011), "The Impacts of International Migration on Remaining Household Members: Omnibus Results from a Migration Lottery Program," *Review of Economics and Statistics*, 93(4): 1297-1317, 2011.

Hanson, Gordon H. (2007), "Emigration, Labor Supply, and Earnings in Mexico," in *Mexican Immigration to the United States* (2007), George J. Borjas, editor, p. 289 – 328.

Mishra, Prachi (2007), "Emigration and Wages in Source Countries: Evidence from Mexico", *Journal of Development Economics*, no. 82, pp. 180-199.

Gonzalez-Velosa, Carolina (2012), "The Effects of Emigration and Remittances on Agriculture: Evidence from the Philippines", unpublished mimeo.

8. Climate Change

*****April 9:** Burgess, Robin, Oliver Deschenes, Dave Donalson, and Micheal Greenstone. 2017.

