

**Econ 8784: Ph.D. Seminar in Economic Development (“Micro-Development”)**

Course Meets January 2007 - May 2007

Mon, Wed: 9:00 am – 10:15 am, Room: Econ 5

## **Course Objectives & Description**

The objective of this course is to put you in a position to do original research in development economics. You will be required to write a research proposal and submit it to me before the end of the semester. I have chosen papers for the reading list that will help you understand what “state of the art” research in development economics constitutes. Many of the papers are current – yet to be published, including several successful “job market papers” from Ph.D. students in development who were on the market in the last few years.

Although the course will examine both theoretical and empirical issues in economic development, the focus will be on the empirical side, which reflects some major trends in this field, as well as my own research interests. We will be concerned with the

6. You will develop a research proposal on a topic related to development economics over the course of the semester. You are expected to have several conversations with me about your research idea. The proposal should be as detailed as possible, and will outline the research question, develop an appropriate literature review noting the gap in the literature that your work will fill, the methodology to be employed and the data to be used (if the project is empirical). Even better, if you already have data, you should show me some preliminary analysis, summary statistics etc. You will be graded on the originality of your ideas, and on how well you develop the proposal. The proposal will be due towards the end of the semester; an exact due date will be announced.

The following weights will be used to compute your final grade:

One-Page Summaries	10%
Presentations	15%
Class Participation	10%
Problem Sets	30%
Referee Reports	10%
Research Proposal	25%

### **University Policies**

If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, and [www.Colorado.EDU/disabilityservices](http://www.Colorado.EDU/disabilityservices)

We will make reasonable accommodations for students who have conflicts between religious observance dates and course examinations or assignments. Please talk to me at the beginning of the semester, if you think you may require such accommodation. For university policies on this and on other things such as classroom behavior, see [www.colorado.edu/policies/index.html](http://www.colorado.edu/policies/index.html).

For the university honor code, see [www.colorado.edu/academics/honorcode/](http://www.colorado.edu/academics/honorcode/) Plagiarism is not allowed. This means that you cannot copy anyone else's work and pass it off as your own. Each person must turn in assignments that are the fruit of his/her own sincere efforts.

The University of Colorado at Boulder policies on Discrimination and Harassment (<http://www.colorado.edu/policies/discrimination.html>), on Sexual Harassment, and on Amorous Relationships applies to all students, staff and faculty. Any student, staff or faculty member who believes s/he has been the subject of discrimination or harassment based upon race, color, national origin, sex, age, disability, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the ODH and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>

## Schedule of Topics and Reading List

\* *You are required to hand in one-page summaries of the starred articles*

### 1. Introduction to Development and History of the Field

(1 lecture)

Amartya Sen, "The Concept of Development," Chapter 1 in *Handbook of Development Economics, Volume 1*, pp. 9-26.

Paul Krugman, "The Fall and Rise of Development Economics," Chapter 1 in *Handbook of Development Economics, Volume 1*, pp. 1-10.

*Develop*

John Bound, David Jaeger and Regina M. Baker (1995). "Problems with Instrumental Variables Estimation when the Correlation between the Instruments and the Endogenous Explanatory Variable is Weak," *Journal of the American Statistical Association* 90 (430): 443-450, June. (JSTOR)

Marianne Bertrand, Esther Duflo and Sendhil Mullainathan (2004). "How Much Should We Trust Differences-in-Differences Estimates?," *Quarterly Journal of Economics*, 2004, 119(1): 249-75. (can access through library website for QJE)

### **3. Growth in Developing Countries** (3 lectures)

\*Acemoglu, D. and F. Zilibotti (1997), "Was Prometheus Unbound by Chance? Risk,

## 5. Trade and Development

(2 lectures)

\*Verhoogen, Eric (2004). “Trade, Quality Upgrading and Wage Inequality in the Mexican Manufacturing Sector: Theory and Evidence from an Exchange-Rate Shock,” working paper, Columbia University.

<http://www.columbia.edu/~ev2124/research/Verhoogen.Upgrading.pdf>

Mobarak and Purbasari (2005). “Protection for Sale to Firms: Evidence from Indonesia” <http://www.colorado.edu/Economics/courses/mobarak/Research.htm>

Thierry Mayer, Philippe Martin, Mathias Thoenig (2005), *Make Trade not War?*, Working Paper

\*Topalova, Petia (2004). “Factor Immobility and Regional Impacts of Trade Liberalization: Evidence on Poverty and Inequality from India”

[http://econ-www.mit.edu/graduate/candidates/download\\_res.php?id=143](http://econ-www.mit.edu/graduate/candidates/download_res.php?id=143)

## 6. Corruption

(2 lectures)

Bardhan, P. (1997). “Corruption and



## 9. Water

Ashraf, Nava, Dean Karlan, and Wesley Yin. (2004). "Tying Odysseus to the Mast: Evidence from a Commitment Savings Product in the Philippines", forthcoming, *Quarterly Journal of Economics* BREAD Working Paper No. 083. <http://www.cid.harvard.edu/bread/abstracts/083.htm>

## **12. Trust, Social Capital, Behavioral Economics**

(2 lectures)

\*Rabin, M. (1993). "Incorporating Fairness into Game Theory and Economics," *American Economic Review* 83(5): 1281-1302 (JSTOR)

Dean Karlan (2005). "Using Experimental Economics to Measure Social Capital and Predict Financial Decisions," forthcoming, *American Economic Review* <http://aida.econ.yale.edu/karlan/papers/gamespaper.pdf>