

ECON2520 Fall19 S01 Economic Development II

Economics 2520 Development Economics II Fall 2019

This course is part of a two part graduate sequence in development economics, with a particular focus on microeconomic theoretical and empirical analysis. The goal of this sequence is introduce the central issues in development economics and to explore the application of microeconomic analysis to gain deeper insights into these questions. If development is going to be your major field you are expected to do both courses. Economics of Development II covers issues related to labor, land, credit and natural resource markets in developing countries, in partial and general equilibrium settings. Topics covered include: the agricultural household model; technology adoption; employment; mutual insurance; microcredit; infrastructure; misallocation; and environmental protection.

We will assume that you have taken the first-year graduate sequences in microeconomics and econometrics.

Professor:

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[afoster@brown.edu \(mailto:afoster@brown.edu\)](mailto:afoster@brown.edu)

401 863 2537

Wednesday 1-4 (signup: [file](#)) ↗

<https://docs.google.com/spreadsheets/d/1q7O6bWXEaGFdCQ4AmCGmvW8SroB1PAInJq9E3EBZND0/edit?usp=sharing>

Course Requirements (% of final grade):

Class participation. A primary goal of this course is for you to develop a working knowledge of the current literature on the empirical microeconomics of development. We will focus on one to two articles per class (I will try to give notice in the previous class), but expect you to demonstrate a good working knowledge of all the articles on the syllabus when you come to class and for the exam. This does not mean reading every word but it does mean understanding the key elements of the paper (question, key theoretical insights, primary data sources, identification arguments, central empirical results, and limitations, as relevant). (20%)

You will do five problem sets. These are generally designed to introduce you to different software/methods. We will not spend much class on the software so you should use online tutorials and consult classmates as needed. Some previous development students will have done some of the






problems. They can be a source of advice but you should not consult their final submissions as it is important for you to learn how to pick up the skills you need. On the other hand, you are welcome to work and share solutions with others in the class. You should, however, separately writeup and individually submit the final product. You can have a grace period of up two weeks on one of the problem sets After using up this credit late assignments will not be accepted so please plan ahead. (40%).

You will be one referee report. (20%)









There will be a final exam. This will test your knowledge of the literature as well as your ability to apply the methods of economic reasoning used in the class (20%).









You are encouraged to attend the Development Tea on Tuesdays 1-2 and the Applied Micro Lunch on Tuesday 12-1 and the Applied Micro Seminar Thursday 4-5:30.









Course Summary:







Date	Details	Due
Wed Sep 4, 2019	 Besley 1995, Property Rights and Investment Incentives: Theory and Evidence from Ghana https://canvas.brown.edu/courses/1079272/assignments/7737585	due by 11:59pm
	 Jacoby et al 2002, Hazards of Expropriation: Tenure Insecurity and Investment in Rural China https://canvas.brown.edu/courses/1079272/assignments/7737586	due by 11:59pm
	 Maple Tutorial https://canvas.brown.edu/courses/1079272/assignments/7739194	due by 11:59pm
	 Zhao 2019, Labor and Land Allocation under Communal Tenure: Theory and Evidence from China https://canvas.brown.edu/courses/1079272/assignments/7737741	due by 11:59pm
Mon Sep 9, 2019	 Goldstein and Udry 2008, The Profits of Power: Land Rights and Agricultural Investment in Ghana https://canvas.brown.edu/courses/1079272/assignments/7737588	due by 11:59pm










Date	Details	Due
	 Udry 1996 Gender, Agricultural Production, and the Theory of the Household (https://canvas.brown.edu/courses/1079272/assignments/7737587)	due by 11:59pm
Wed Sep 11, 2019	 Bevis and Barrett, 2019 Close to the edge: High productivity at plot peripheries and the inverse size-productivity relationship (https://canvas.brown.edu/courses/1079272/assignments/7737589)	due by 11:59pm
	 Foster and Rosenzweig 2017, Are There Too Many Farms in the World? Labor-Market Transaction Costs, Machine Capacities and Optimal Farm Size (https://canvas.brown.edu/courses/1079272/assignments/7737590)	due by 11:59pm
Mon Sep 16, 2019	 Conley and Udry 2010 Learning About a New Technology: Pineapple in Ghana. (https://canvas.brown.edu/courses/1079272/assignments/7737591)	due by 11:59pm
	 Foster and Rosenzweig 1995, Learning by Doing and Learning from Others: Human Capital and Technical Change in Agriculture. (https://canvas.brown.edu/courses/1079272/assignments/7737592)	due by 11:59pm
Wed Sep 18, 2019	 BenYishay and Mobarak 2019, Social learning and communication (https://canvas.brown.edu/courses/1079272/assignments/7737593)	due by 11:59pm
	 Bloom et al 2013 , Does management matter? Evidence from India (https://canvas.brown.edu/courses/1079272/assignments/7737594)	due by 11:59pm
Mon Sep 23, 2019	 Beaman and Magruder 2012 Who gets the job referral? Evidence from a social networks experiment, (https://canvas.brown.edu/courses/1079272/assignments/7737595)	due by 11:59pm









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	 Breza et al 2019, Scabs: The Social Suppression of Labor Supply https://canvas.brown.edu/courses/1079272/assignments/7737597	due by 11:59pm
	 Jayachandran 2006, Selling Labor Low: Wage Responses to Productivity Shocks in Developing Countries, https://canvas.brown.edu/courses/1079272/assignments/7737596	due by 11:59pm
	 Problem Set: Agriculture https://canvas.brown.edu/courses/1079272/assignments/7739800	due by 11:59pm
Wed Sep 25, 2019	 Foster and Rosenzweig 1996, Comparative Advantage, Information and the Allocation of Workers to Tasks: Evidence from an Agricultural Labour Market https://canvas.brown.edu/courses/1079272/assignments/7737598	due by 11:59pm
	 Rao 2013, "Familiarity Does Not Breed Contempt: Diversity, Discrimination and Generosity in Delhi Schools." https://canvas.brown.edu/courses/1079272/assignments/7737599	due by 11:59pm
Mon Sep 30, 2019	 Bazzi et al 2016, Skill Transferability, Migration, and Development: Evidence from Population Resettlement in Indonesia, https://canvas.brown.edu/courses/1079272/assignments/7737600	due by 11:59pm
	 Bryan et al 2014, Underinvestment in a Profitable Technology: The Case of Seasonal Migration in Bangladesh https://canvas.brown.edu/courses/1079272/assignments/7737601	due by 11:59pm
	 Munshi and Rosenzweig 2016, Networks and Misallocation: Insurance, Migration, and the Rural-Urban Wage Gap https://canvas.brown.edu/courses/1079272/assignments/7737602	due by 11:59pm








Date	Details	Due
Wed Oct 2, 2019	 Karlán et al 2014, Agricultural Decisions after Relaxing Credit and Risk Constraints https://canvas.brown.edu/courses/1079272/assignments/7737604	due by 11:59pm
	 Problem Set: Python and Big Data https://canvas.brown.edu/courses/1079272/assignments/7739801	due by 11:59pm
	 Rosenzweig and Binswanger 1993, Wealth, Weather Risk and the Composition and Profitability of Agricultural Investments https://canvas.brown.edu/courses/1079272/assignments/7737603	due by 11:59pm
Mon Oct 7, 2019	 Angelucci and Giorgi 2009, Indirect Effects of an Aid Program: How Do Cash Transfers Affect Ineligibles https://canvas.brown.edu/courses/1079272/assignments/7737605	due by 11:59pm
	 Chiappori et al 2014, Heterogeneity and Risk Sharing in Village Economies, https://canvas.brown.edu/courses/1079272/assignments/7737606	due by 11:59pm
	 Foster and Rosenzweig 2001, Imperfect Commitment, Altruism, and the Family: Evidence from Transfer Behavior in Low-Income Rural Areas https://canvas.brown.edu/courses/1079272/assignments/7737740	due by 11:59pm
Wed Oct 9, 2019	 Townsend 1995, Risk and Insurance in Village India. https://canvas.brown.edu/courses/1079272/assignments/7737607	due by 11:59pm
	 Karlán and Zinman 2008, Credit Elasticities in Less-Developed Economies: Implications for Microfinance, https://canvas.brown.edu/courses/1079272/assignments/7737609	due by 11:59pm









Date	Details	Due
	<p> Karlán and Zinman 2009 “Observing Unobservables: Identifying Information Asymmetries with a Consumer Credit Field Experiment” (https://canvas.brown.edu/courses/1079272/assignments/7745079)</p>	due by 11:59pm
	<p> Karlán and Zinman 2009, Expanding Credit Access: Using Randomized Supply Decisions to Estimate the Impacts, (https://canvas.brown.edu/courses/1079272/assignments/7737608)</p>	due by 11:59pm
	<p> Banerjee et al 2015, Do credit constraints limit entrepreneurship? Heterogeneity in the returns to microfinance (https://canvas.brown.edu/courses/1079272/assignments/7737610)</p>	due by 11:59pm
	<p> Kaboski and Townsend 2011, A Structural Evaluation of a Large- Scale Quasi-Experimental Microfinance Initiative (https://canvas.brown.edu/courses/1079272/assignments/7737611)</p>	due by 11:59pm
Wed Oct 16, 2019	<p> McKenzie et al 2008, Experimental Evidence on Returns to Capital and Access to Finance in Mexico (https://canvas.brown.edu/courses/1079272/assignments/7737612)</p>	due by 11:59pm
	<p> Pitt and Khandker 1998 The impact of Group-Based Credit Programs on Poor Households in Bangladesh: Does the Gender of Participants Matter? (https://canvas.brown.edu/courses/1079272/assignments/7745597)</p>	due by 11:59pm
	<p> Problem Set: Wages and Credit (https://canvas.brown.edu/courses/1079272/assignments/7739799)</p>	due by 11:59pm
Mon Oct 21, 2019	<p> Deaton 1992, Household saving in LDCs: Credit markets, insurance and welfare (https://canvas.brown.edu/courses/1079272/assignments/7737613)</p>	due by 11:59pm











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	<p> Paxson 1992, Using weather variability to estimate the response of savings to transitory income in Thailand. (https://canvas.brown.edu/courses/1079272/assignments/7737614)</p>	due by 11:59pm
Wed Oct 23, 2019	<p> Besley Coate and Loury 1993 The Economics of Rotating Savings and Credit Associations (https://canvas.brown.edu/courses/1079272/assignments/7745111)</p>	due by 11:59pm
	<p> Dupas 2013a, Savings Constraints and Microenterprise Development: Evidence from a Field Experiment in Kenya (https://canvas.brown.edu/courses/1079272/assignments/7737615)</p>	due by 11:59pm
	<p> Dupas 2013b, Why Don't the Poor Save More? Evidence from Health Savings Experiments (https://canvas.brown.edu/courses/1079272/assignments/7737616)</p>	due by 11:59pm
Mon Oct 28, 2019	<p> Björkegren, 2018, The Adoption of Network Goods: Evidence from the Spread of Mobile Phones in Rwanda, (https://canvas.brown.edu/courses/1079272/assignments/7737617)</p>	due by 11:59pm
	<p> Donaldson 2018, Railroads of the Raj: Estimating the Impact of Transportation Infrastructure (https://canvas.brown.edu/courses/1079272/assignments/7737618)</p>	due by 11:59pm
	<p> Jensen 2008, The Digital Provide: Information (Technology), Market Performance, and Welfare in the South Indian Fisheries Sector (https://canvas.brown.edu/courses/1079272/assignments/7737619)</p>	due by 11:59pm
Wed Oct 30, 2019	<p> Brooks and Donovan 2017, Eliminating Uncertainty in Market Access: The Impact of New Bridges in Rural Nicaragua (https://canvas.brown.edu/courses/1079272/assignments/7737642)</p>	due by 11:59pm



Date	Details	Due
	 Duflo and Pande 2007, Dams (https://canvas.brown.edu/courses/1079272/assignments/7737621)	due by 11:59pm
	 Problem Set : GIS (https://canvas.brown.edu/courses/1079272/assignments/7739802)	due by 11:59pm
	 Tsivanidis 2019, Evaluating the Impact of Urban Transit Infrastructure: Evidence from Bogotá's TransMilenio (https://canvas.brown.edu/courses/1079272/assignments/7737643)	due by 11:59pm
	 Atkin 2016, Endogenous Skill Acquisition and Export Manufacturing in Mexico (https://canvas.brown.edu/courses/1079272/assignments/7737623)	due by 11:59pm
	 Dinkelmann 2011, The Effects of Rural Electrification on Employment: New Evidence from South Africa (https://canvas.brown.edu/courses/1079272/assignments/7737620)	due by 11:59pm
Mon Nov 4, 2019	 Goldberg and Pavcnik 2003, The Response of the Informal Sector to Trade Liberalization (https://canvas.brown.edu/courses/1079272/assignments/7737625)	due by 11:59pm
	 McRae 2009 (https://canvas.brown.edu/courses/1079272/assignments/7737622)	due by 11:59pm
	 Verhoogen 2008, Trade, Quality Upgrading and Wage Inequality in the Mexican Manufacturing Sector (https://canvas.brown.edu/courses/1079272/assignments/7737624)	due by 11:59pm
Wed Nov 6, 2019	 Duflo and Chattopadhyay 2004, Women as Policy Makers: Evidence from a Randomized Policy Experiment in India (https://canvas.brown.edu/courses/1079272/assignments/7743984)	due by 11:59pm

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	<p> Foster and Rosenzweig 2006, Democratization, Decentralization and the Distribution of Local Public Goods in a Poor Rural Economy (https://canvas.brown.edu/courses/1079272/assignments/7743989)</p>	due by 11:59pm
	<p> Munshi and Rosenzweig 2008, The Efficacy of Parochial Politics: Caste, Commitment, and Competence in Indian Local Governments (https://canvas.brown.edu/courses/1079272/assignments/7743988)</p>	due by 11:59pm
	<p> Topalova 2005, Trade Liberalization, Poverty and Inequality: Evidence from Indian Dis-tricts, (https://canvas.brown.edu/courses/1079272/assignments/7737626)</p>	due by 11:59pm
Mon Nov 11, 2019	<p> Bidwell, Casey, and Glennerster 2019, Debates: Voting and Expenditure Responses to Political Communication (https://canvas.brown.edu/courses/1079272/assignments/7743994)</p> <p> Ferraz and Finan 2011, Electoral Accountability and Corruption: Evidence from the Audits of Local Governments (https://canvas.brown.edu/courses/1079272/assignments/7743995)</p>	due by 11:59pm
	<p> Alix-Garcia et al 2013, The Ecological Footprint of Poverty Alleviation: Evidence from Mexico's Oportunidades Program (https://canvas.brown.edu/courses/1079272/assignments/7737627)</p>	due by 11:59pm
Wed Nov 13, 2019	<p> Foster and Rosenzweig 2003, Economic Growth and the Rise of Forests (https://canvas.brown.edu/courses/1079272/assignments/7737628)</p>	due by 11:59pm
	<p> Problem Set: Remote Sensing (https://canvas.brown.edu/courses/1079272/assignments/7739803)</p>	due by 11:59pm

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Mon Nov 18, 2019	 Burgess et al 2012, The Political Economy of Deforestation in the Tropics https://canvas.brown.edu/courses/1079272/assignments/7744002	due by 11:59pm
	 Ebenstein et al 2017, New evidence on the impact of sustained exposure to air pollution on life expectancy from China's Huai River Policy https://canvas.brown.edu/courses/1079272/assignments/7737632	due by 11:59pm
	 Jayachandran et al 2017, Cash for carbon: A randomized trial of payments for ecosystem services to reduce deforestation https://canvas.brown.edu/courses/1079272/assignments/7737629	due by 11:59pm
	 Oliva et al 2019, Technology Adoption Under Uncertainty: Take-Up and Subsequent Investment in Zambia https://canvas.brown.edu/courses/1079272/assignments/7737630	due by 11:59pm
	 Pfaff 1999, What Drives Deforestation in the Brazilian Amazon? https://canvas.brown.edu/courses/1079272/assignments/7737631	due by 11:59pm
Wed Nov 20, 2019	 Duflo et al 2018 The value of Regulatory Discretion: Estimates from Environmental Inspections in India https://canvas.brown.edu/courses/1079272/assignments/7743223	due by 11:59pm
	 Fu et al 2019, How Extensive are Air Pollution Spillovers? An Application to China's Manufacturing Productivity https://canvas.brown.edu/courses/1079272/assignments/7737633	due by 11:59pm

Date	Details	Due
	 Gutierrez-Fernandez and Foster 2009, Direct and Indirect Effects of Voluntary Certification: Evidence from the Mexican Clean Industry Program, (https://canvas.brown.edu/courses/1079272/assignments/7737636)	due by 11:59pm
	 Fehr and Gächter 00, "Cooperation and Punishment in Public Good Experiments" (https://canvas.brown.edu/courses/1079272/assignments/7742207)	due by 11:59pm
	 Fehr and Schmidt 1999, "Theory of Fairness, Competition, and Cooperation", (https://canvas.brown.edu/courses/1079272/assignments/7742206)	due by 11:59pm
Mon Nov 25, 2019	 Kosfeld and Rustagi 2015 Leader Punishment and Cooperation in Groups: Experimental Field Evidence from Commons Management in Ethiopia (https://canvas.brown.edu/courses/1079272/assignments/7742209)	due by 11:59pm
	 Rustagi et al 2010 Conditional Cooperation and Costly Monitoring Explain Success in Forest Commons Management (https://canvas.brown.edu/courses/1079272/assignments/7742208)	due by 11:59pm
	 Fisman and Miguel. 2007. Corruption, Norms, and Legal Enforcement: Evidence From Diplomatic Parking Tickets (https://canvas.brown.edu/courses/1079272/assignments/7742210)	due by 11:59pm
Wed Nov 27, 2019	 Hanna Wang 2017. Dishonesty and Selection into Public Service (https://canvas.brown.edu/courses/1079272/assignments/7742211)	due by 11:59pm
	 Kroell and Rustagi 2017 Measuring Honesty and Explaining Adulteration in Naturally Occuring Markets (https://canvas.brown.edu/courses/1079272/assignments/7742212)	due by 11:59pm

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Mon Dec 2, 2019	 Gine and Jacoby 2016, Markets, Contracts, and Uncertainty in a Groundwater Economy https://canvas.brown.edu/courses/1079272/assignments/7737640	due by 11:59pm
	 Jacoby and Gine 2019 Markets and Contract Uncertainty in a Groundwater Economy https://canvas.brown.edu/courses/1079272/assignments/7749753	due by 11:59pm
	 Jacoby et al 2004, Monopoly Power and Distribution in Fragmented Markets: The Case of Groundwater https://canvas.brown.edu/courses/1079272/assignments/7737641	due by 11:59pm
	 Kremer et al 2008, Spring Cleaning: Rural Water Impacts, Valuation, and Institutions https://canvas.brown.edu/courses/1079272/assignments/7737637	due by 11:59pm
	 Referee Report https://canvas.brown.edu/courses/1079272/assignments/7739806	due by 11:59pm
	 Sekhri 2007, Public Provision and Protection of Natural Resources: Groundwater Irrigation in Rural India https://canvas.brown.edu/courses/1079272/assignments/7737639	due by 11:59pm
Wed Dec 4, 2019	 Exam https://canvas.brown.edu/courses/1079272/assignments/7739865	due by 8:30am
	 Class Participation https://canvas.brown.edu/courses/1079272/assignments/7739868	due by 11:59pm
	 Beaman et al 2009 https://canvas.brown.edu/courses/1079272/assignments/7743986	
	 Beaman et al 2009 https://canvas.brown.edu/courses/1079272/assignments/7743987	

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	 Duflo and Chattopadhyay 2004 (https://canvas.brown.edu/courses/1079272/assignments/7743985)	
	 Foster and Rosenzweig 2006 (https://canvas.brown.edu/courses/1079272/assignments/7743993)	