

# **Economics 881.05 Foundations of Development Economics**

## **Professor Erica Field**

### **Class**

Friday 08:45-11:45  
Classes begin: 19 October 2018  
Classes end: 30 November 2018  
Classroom: Social Sciences 111

### **Contact information**

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Office: Social Sciences 319  
Office hours: Friday 10:00-11:30 (and by appointment)

## **1. Goals**

The primary goal of this semester-long course is to provide an introduction to some emerging issues in the economics of development, with a focus on the roles of individuals, families, institutions and policies. Throughout the class, emphasis will be placed on the interaction between modeling behaviors of agents and choosing appropriate empirical methods to understand the processes that are investigated. The course will discuss empirical methods ranging from random assignment to structural modeling in the context of examples drawn from the literature.

Examples will illustrate how economic models can provide insights into understanding behavior and how, with appropriate research design, high quality data and prudent choice of econometric methods, it is possible to assess the empirical content of those models and their contributions to understanding the world around us. These examples should provide you with the foundation to apply these kinds of models and methods to a wide range of problems in economics in the field of development and more broadly.

The syllabus and reading list are intended to be a guide to help you become acquainted with the issues, models and methods in the areas covered by the course. Classes will focus on a subset of papers. For each topic, we will begin by laying out the main issues within an economic framework, relying primarily on standard consumer demand theory. We will proceed to assess the value of different research designs that might be used to investigate the topic; these will take into account the underlying theory, concerns with measurement and econometric methodology. The course will then discuss existing empirical evidence and evaluate what we have learnt.

## **2. Course requirements**

The course will follow a lecture format. Every student is expected to participate in all aspects of the class. An essential requirement of the class is the mandatory paper readings (up to 6 papers listed for each class under “Required Reading” – the Additional Readings are listed for anyone interested in going more in-depth on a topic). You must read papers listed in the first

category carefully. While you will not be formally graded on your participation during lectures, the value to you and your colleagues of asking questions and raising new ideas cannot be over-stated. In discussing individual papers, we will discuss questions about each paper. For you to learn both these types of skills, we will require discussion in class. The more discussion we have, the better the class will be.

Grades will depend on three activities:

First, you will write short (1-2 pg/1 paragraph **per starred reading**) reading responses in preparation for each class, to be turned in to me via email **before the start of class**. Please do not summarize papers in these responses, but instead address questions related to the papers' research design and contribution. For instance,

- Why is this paper considered a contribution? As a measure of its importance, why is this paper published and cited?
- What innovative strategies did the authors use to translate a research question to a feasible empirical specification?
- What are the major shortcomings of their approach and how else might the authors' have formulated this question?
- What other questions does this research open up?

Second, you will be asked to write a referee report on one particular paper, reviewing a paper by a student on the job market in development last year. Please include comments that address both the theoretical and empirical contributions of the paper. The two papers for the report (choose one) are:

- Rigol, N., R. Hussam, & B. Roth (2017), "Targeting High Ability Entrepreneurs Using Community Information: Mechanism Design in The Field"
- Carlson, S. (2017), "Dynamic Incentives in Credit Markets: An Exploration of Repayment Decisions on Digital Credit in Africa"

Treat this report as if you were reviewing the paper for a first rate journal. The goal is to evaluate the work, identify the strengths and weaknesses and make constructive suggestions for improving the work. The report is due (send it by email) by 5pm on Friday, November 4.

Third, you will take a written exam at the end of the semester. The exam time scheduled by the registrar's office is on December 16 at 7:00 pm. The exam will cover material discussed in lecture and the main assigned readings.

### **Due dates:**

Referee report	By 5pm on November 9, 2018
Final exam	December 16, 7:00-10:00pm

### **3. Class web-site**

All material will be on the web site for Econ 881.05 on Sakai.

#### **4. Development Economics at Duke and Beyond (borrowed from D. Thomas, Syllabus 881.04)**

There are several intellectual activities that you are encouraged to at least sample during this term and in the future. First, the Labor and Development Seminar Series is held on Wednesday from 3.15-4.45pm in Social Sciences 111. The seminars bring some of the best people in labor and development to campus to present and discuss their work. This is a spectacular opportunity to see work in progress and learn about the problems that we all encounter in our research and how we think about addressing them. See <http://ipl.econ.duke.edu/seminars/labordev/>. When there is an out-of-town speaker, we will try to save a couple of spots in his/her schedule for graduate students. Please email Erica in advance if you are interested in meeting with a particular speaker.

Second, the International Population Health and Development (IPHD) workshop is held on Friday from 12.00 noon to 1.00 pm in Social Sciences 111. IPHD is a forum for Duke, UNC and NC State students and faculty who are interested in population health and development to present their own work in progress. See <http://ipl.econ.duke.edu/seminars/iphd/>. Duke econ students should register for Econ 911.11, and policy students may register for Econ 911.01.

Finally, please check the BREAD (<http://ipl.econ.duke.edu/bread/>) and NBER Dev (<http://www.nber.org/programs/dev/dev.html>) websites regularly for announcements (for conferences, calls for papers, etc.), and for working papers. Once you are further along in research, it is also particularly useful to submit one of your paper drafts to a development conference such as NUEDC (<http://www.neudc.org/>) or SEA (<https://www.southerneconomic.org/conference/>) where graduate students regularly participate.

## 5. Topics covered

The following topics will be covered in this course:

Date	Topic
19-Oct	Credit constraints, poverty and entrepreneurship
26-Oct	Informal insurance and social networks
2-Nov	Learning and Technology Adoption
9-Nov	NO CLASS – Referee Reports DUE by 5PM
16-Nov	Institutions and Property Rights
23-Nov	THANKSGIVING BREAK
30-Nov	Governance
14-Dec	EXAM

## Readings

**Credit constraints, poverty and entrepreneurship***Readings for Discussion*

\*Burgess, Robin, and Pande, Rohini (2005). "Do Rural Banks Matter? Evidence from the Indian Social Banking Experiment." *American Economic Review*, 95(3), 780-795.

\*Field, Erica Rohini Pande, John Papp and Natalia Rigol. "Does the Classic Microfinance Model Discourage Entrepreneurship Among the Poor? Experimental Evidence from India." *American Economic Review*, 103(6): 2196-2226.

\*Abhijit Banerjee, Dean Karlan and Jonathan Zinman, "Six Randomized Evaluations of Microcredit: Introduction and Further Steps." *American Economic Journal: Applied Economics* 7(1): 1–21.

Banerjee, Abhijit, Esther Duflo, Rachel Glennerster, and Cynthia Kinnan. "The Miracle of Microfinance? Evidence from a Randomized Evaluation", *American Economic Journal: Applied Economics*, 2015, vol. 7, issue 1, pages 22-53.

\*Woodruff, Christopher and McKenzie, David and de Mel, Suresh, 2007. "Returns to Capital in Microenterprises: Evidence from a Field Experiment," *Quarterly Journal of Economics*, Vol 123, No. 4, 1329-72.

Bernhardt, Arielle, Erica Field, Rohini Pande and Natalia Rigol (2017), "Household Matters: Revisiting the Returns to Capital among Female Micro-entrepreneurs." NBER Working Paper No. 23358.

\*Dupas, Pascaline and Jonathan Robinson. 2013. "Why Don't the Poor Save More? Evidence from Health Savings Experiments." *American Economic Review*, 103(4): 1138-71.

*Additional Readings*

Banerjee, Abhijit, "Contracting Constraints, Credit Markets, and Economic Development," MIT Working Paper 2001

Hoff, Karla and Joseph E. Stiglitz, "Imperfection Information and Rural Credit Markets: Puzzles and Policy Perspectives", chapter in *The Economics of Rural Organization: Theory, Practice and Policy* (Hoff, Karla, Avishay Braverman, and Joseph E. Stiglitz, eds.), New York: Oxford University Press for the World Bank, 1993.

Hoff, Karla and Joseph E. Stiglitz, "Moneylenders and bankers: price-increasing subsidies in a monopolistically competitive market", *Journal of Development Economics* 1997.

Rosenzweig, Mark, and K. Wolpin. "Credit Market Constraints, Consumption Smoothing and the Accumulation of Durable Production Assets in Low-Income Countries: Investments in Bullocks in India." *Journal of Political Economy* 101, no. 2 (1993): 223-244.

Fafchamps, Marcel, Christopher Udry, and Katie Czukas. "Drought and Savings in West Africa: Are Livestock a Buffer Stock?" *Journal of Development Economics* 55, no. 2 (1998): 273-306.

Ashraf, Nava, Dean Karlan, and Wesley Yin. "Tying Odysseus to the Mast: Evidence from a Commitment Savings Product in the Philippines." *Quarterly Journal of Economics* 121, no. 2 (2006): 635-672.

Karlan, Dean S., and Jonathan Zinman. "Credit Elasticities in Less Developed Countries: Implications for Microfinance." *American Economic Review* 8, no. 3 (2008): 1040-1068.

Bertrand, Marianne, Dean Karlan, Sendhil Mullainathan, Eldar Shafir, and Jonathan Zinman. "What's

Advertising Content Worth? A Field Experiment in the Consumer Credit Market." *The Quarterly Journal of Economics* (2010) 125 (1): 263-306..

Banerjee, Abhijit, and Sendhil Mullainathan. "The Shape of Temptation: Implications for the Economic Lives of the Poor." Unpublished paper, 2010. NBER Working Paper No. 15973.

Karlan, Dean and Jonathan Zinman. "Expanding Credit Access: Using Randomized Supply Decisions to Estimate the Impacts in Manila" (May 2010), *Review of Financial Studies* 23 (1), 433-464.

Besley, T., Coate, S., and Loury, G. "The Economics of Rotating Savings and Credit Associations." *American Economic Review* 83, no. 4 (1993):792-810.

Besley, Tim, "Nonmarket Institutions for Credit and Risk Sharing in Low-Income Countries", *Journal of Economic Perspectives* 1995

Karlan, Dean, and Jonathan Zinman. "Observing Unobservables: Identifying Information Asymmetries with a Consumer Credit Field Experiment." (November 2009) *Econometrica*, 77(6), pp. 1993-2008.

Karlan, Dean, and Jonathan Zinman. "Microcredit in Theory and Practice: Using Randomized Credit Scoring for Impact Evaluation, *Science*, 10 June 2011, 332(6035), 1278-1284.

Karlan, Dean and Xavier Gine. Group versus Individual Liability: Long Term Evidence from Philippine Microcredit Lending Groups (May 2010), *Review of Development Finance* Volume 3, Issue 2, April–June 2013, Pages 99–108.

Morduch, Jonathan, "The Microfinance Promise," *Journal of Economic Literature* 37 (4), December 1999, 1569 - 1614.

Karlan, Dean S., and Jonathan Zinman. "Credit Elasticities in Less Developed Countries: Implications for Microfinance." *American Economic Review* 8, no. 3 (2008): 1040-1068.

Aleem, Irfan (1990). "Imperfect Information, Screening and the Costs of Informal lending: A Study of a Rural Credit Market in Pakistan", *World Bank Economic Review*, 3, 329-349.

Banerjee, Abhijit and Kaivan Munshi (2004). "How Efficiently is Capital Allocated? Evidence from the Knitted Garment Industry in Tirupur," *Review of Economic Studies*, 71(1), 19-42.

Ghosh, P., Mookherjee, D. and D. Ray (2000). "Credit Rationing in Developing Countries: An Overview of the Theory," Chapter 11 in *Readings in the Theory of Economic Development*, edited by D. Mookherjee and D. Ray, London: Blackwell.

Banerjee, Abhijit (2004). "Contracting Constraints, Credit Markets, and Economic Development," in M. Dewatripoint, L. Hansen and S. Turnovsky, eds. *Advances in Economics and Econometrics: Theory and Applications, Eight World Congress of the Econometric Society, Volume III*. Cambridge University Press, 1-46.

Fafchamps, Marcel, Chris Udry, and Katie Czukas (1998). "Drought and Savings in West Africa: Are Livestock a Buffer Stock?" *Journal of Development Economics*, 55(2), 273-306.

Ghatak, M., "Group Lending, Local Information and Peer Selection", *Journal of Development Economics* 1999.

Stiglitz, J. and A. Weiss (1981). "Credit Rationing in Markets with Imperfect Information," *American Economic Review*, 71(3) 393-410.

Rosenzweig, Mark and K. Wolpin (1993). "Credit Market Constraints, Consumption Smoothing and the Accumulation of Durable Production Assets in Low-Income Countries: Investments in Bullocks in India," *Journal of Political Economy*, 101(2), 223-244.

Giné, X. & D. Karlan (2014), "Group versus Individual Liability: Short and Long Term Evidence from Philippine Microcredit Lending Groups," *Journal of Development Economics* 107, 65-83.

Beaman, L., D. Karlan, B. Thuysbaert, & C. Udry (2015), "Selection into Credit Markets: Evidence from Agriculture in Mali," Unpublished working paper.

Banerjee, A., A.G. Chandrasekhar, E. Duflo, & M.O. Jackson (2013), "The Diffusion of Microfinance," *Science* 341(6144).

### **Consumption Smoothing/Informal Insurance**

#### *Readings for Discussion*

\*Townsend, Robert M. "Risk and Insurance in Village India", *Econometrica* (1994) 62(3):539-591.

Rosenzweig, M. and O. Stark. (1989). Consumption smoothing, migration and marriage: evidence from rural India, *Journal of Political Economy*, August, 97.4:905-926.

\*Angelucci, Manuela, Giacomo de Giorgi, and Imran Rasul, "Consumption and Investment in Resource Pooling Family Networks." Forthcoming, *Economic Journal*. ([http://www-personal.umich.edu/~mangeluc/insurance\\_investment.pdf](http://www-personal.umich.edu/~mangeluc/insurance_investment.pdf)).

\*Rohini Pande, Ben Feigenberg, and Erica Field "The Economic Returns to Social Interaction: Experimental Evidence from Microfinance." *Review of Economic Studies*, Vol. 80, No. 4 (285) (October 2013), pp. 1459-1483.

Dean Karlan and Markus Mobius and Tanya Rosenblat and Adam Szeidl, 2009. "Trust and Social Collateral," *The Quarterly Journal of Economics*, MIT Press, vol. 124(3), pages 1307-1361, August.

\*Chandrasekhar, Arun, Cynthia Kinnan, and Horacio Larreguy (2017), "Social Networks as Contract Enforcement: Evidence from a Lab Experiment in the Field," *American Economic Journal: Applied Economics*, 10 (4): 43-78.

Mobarak, A. M. & Rosenzweig, M. R. (2013), "Informal Risk Sharing, Index Insurance, and Risk Taking in Developing Countries." *American Economic Review* 101(3): 375-380.

#### *Additional Readings*

Robinson, J., "Limited Insurance within the Household: Evidence from a Field Experiment in Western Kenya", *American Economic Journal: Applied Economics*, 4(4), October 2012.

Ligon, Ethan, Jonathan P. Thomas, and Tim Worrall, "Informal Insurance Arrangements with Limited Commitment: Theory and Evidence from Village Economies," *Review of Economic Studies* (2002), 69(1), 209-244

Coate, Stephen and Ravallion, Martin, 1993. "Reciprocity without Commitment : Characterization and Performance of Informal Insurance Arrangements," *Journal of Development Economics*, Elsevier, vol. 40(1), pages 1-24, February

Browning, M., A. Deaton and M. Irish (1985), A Profitable Approach to Labor Supply and Commodity Demand Over the Life-Cycle, *Econometrica*, 1985, 503-543.

Card, D. (1994), Intertemporal Labor Supply: An Assessment, in C. Sims, ed., *Advances in Econometrics Sixth World Congress*, vol. II, Cambridge University Press, 1994.

Fafchamps, Marcel, Chris Udry and Katie Czukas. 1998. "Drought and Saving in West Africa: Are Livestock a Buffer Stock?" *Journal of Development Economics* . 55(2), pp. 273-306.

Dercon, Stefan and Krishnan, Pramila. 2000. "In sickness and health: Risk sharing with households in rural Ethiopia", *Journal of Political Economy*, 108.4:688-727.

Genoni, Maria. 2012. Health shocks and consumption smoothing: Evidence from Indonesia. *Economic Development and Cultural Change*.

Gertler, Paul and Gruber, Jonathan. 2002. "Insuring consumption against illness", *American Economic Review*, 92.1:51-70.

Hoddinott, John and Kinsey, Bill. 2001. "Child growth in the time of drought", *Oxford Bulletin of Economics and Statistics*, 63.4:409-436.

Paxson, C. (1993). Consumption and income seasonality in Thailand, *Journal of Political Economy*, February, 101.1:39-72.

Ambrus, Attila, Markus Mobius and Adam Szeidl, 2010. "Consumption risk-sharing in social networks," Forthcoming, *American Economic Review*.

Wang, Xiao Yu, "Endogenous Insurance and Informal Relationships, Working Paper 2013.

### **Technology Adoption/Learning**

#### *Readings for Discussion*

\*Conley, Timothy, and Christopher Udry. "Learning about a New Technology: Pineapple in Ghana." *American Economic Review*, 100(1): 35-69.

\*Duflo, Esther, Michael Kremer, and Jonathan Robinson. "Nudging farmers to use fertilizer: theory and experimental evidence from Kenya." *American Economic Review*. 2011.

\*Pascaline Dupas (2014). Short-Run Subsidies and Long-Run Adoption of New Health Products: Evidence from a Field Experiment. *Econometrica* 82(1), pp. 197-28, January 2014

\*Atkin, D., A. Chaudhry, S. Chaudhry, A. Khandelwal, & E. Verhoogen (2017), "Organizational Barriers to Technology Adoption: Evidence from Soccer-Ball Producers in Pakistan," *Quarterly Journal of Economics* 132(3), 1101-1164.

Beaman, Lori A., Ariel BenYishay, Jeremy Magruder, and Ahmed Mushfiq Mobarak, "Can Network Theory-Based Targeting Increase Technology Adoption?" (August 3, 2018). Cowles Foundation Discussion Paper No. 2139; Yale University Economic Growth Center Discussion Paper No. 1062. Available at SSRN: <https://ssrn.com/abstract=3225815> or <http://dx.doi.org/10.2139/ssrn.3225815>

Ashraf, N., Berry, J., & Shapiro, J. (2010). Can Higher Prices Stimulate Product Use? Evidence from a Field Experiment in Zambia. *The American Economic Review*, 100(5), 2383-2413.

#### *Additional Readings:*

Foster, A. D., and M. R. Rosenzweig. "Learning by Doing and Learning from Others: Human Capital and Technical Change in Agriculture." *Journal of Political Economy* 103, no. 6 (1995): 1176-1209.



Barham, B.L., J.P. Chavas, D. Fitz, & L. Schechter (2017), "Receptiveness to Advice, Cognitive Ability, and Technology Adoption: An Economic Experiment with Farmers," Unpublished working paper.

Banerjee, Abhijit, "A Simple Model of Herd Behavior," *Quarterly Journal of Economics* 1992.

### **Institutions and Property Rights**

#### *Readings for Discussion*

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

\*Dell, Melissa (2010), "The Persistent Effects of Peru's Mining Mita." *Econometrica* 78(6): pp. 1863–1903.

\*Nunn, Nathan (2008) "The Long-run Effects of Africa's Slave Trades." *Quarterly Journal of Economics*, Vol 123, No. 1, pp. 139-176.

Besley, Timothy, "Property Rights and Investment Incentives: Theory and Evidence from Ghana," *Journal of Political Economy*, 103 (1995), 903-937.

\*Field, Erica (2007). "Entitled to Work: Urban Property Rights and Labor Supply in Peru." *Quarterly Journal of Economics*, Vol 122, No. 4, pp. 1561–602.

Hornbeck, Richard (2010), "Barbed Wire: Property Rights and Agricultural Development," *Quarterly Journal of Economics* Vol. 125, No. 2 (May 2010), pp. 767-810.

#### *Additional Readings:*

Field, Erica. "Property Rights and Investment Incentives." *Journal of the European Economic Association Papers and Proceedings*, 2005.

Banerjee, Abhijit, Paul Gertler and Maitresh Ghatak (2002). "Empowerment and Efficiency: Tenancy Reform in West Bengal," *Journal of Political Economy*, 110(2), 239-280.

Demsetz, Harold, "Toward a Theory of Property Rights," *American Economic Review: Papers and Proceedings*, 57 (1967), 347-359.

Field, Erica, and Maximo Torero. "Do Property Titles Increase Credit Access Among the Urban Poor? Evidence from a Nationwide Titling Program." Unpublished paper, January 2008.

Hernando de Soto. *The mystery of capital: why capitalism triumphs in the West and fails everywhere else*. New York: Basic Books, 2000.

Timothy Besley and Robin Burgess (2000). "Land Reform, Poverty Reduction, and Growth: Evidence From India," *Quarterly Journal of Economics*, MIT Press, 115(2), 389-430.

Coase, Ronald H, "The Problem of Social Cost," *Journal of Law and Economics*, 3 (1960), 1-44.

Piketty, Thomas (1995). "Social Mobility and Redistributive Politics." *Quarterly Journal of Economics* 110(3): 551-584.

Banerjee, A. and L. Iyer. 2005, "History, Institutions and Economic Performance: the Legacy of Colonial

Land Tenure Systems in India.” *American Economic Review* 95, 1190–1213.

Pande, R. and C. Udry. 2007. Institutions and Development: A View from Below. In Proceedings of the 9th World Congress of the Econometric Society (eds. R. Blundell, W. Newey, and T. Persson), Cambridge: Cambridge University Press.

Albouy, David. (2005). “The Colonial Origins of Comparative Development: An Investigation of the Settler Mortality Data,” *American Economic Review*, 102(6), 3059–3076.

Bockstette, Valerie, Areendam Chanda, and Louis Putterman. (2003). “States and Markets: The Advantage of an Early Start”, *Journal of Economic Growth*, 7, 347-369.  
[<http://www.springerlink.com/content/xp22n85118811701/fulltext.pdf>]

Sachs, J. (2001) “Tropical Underdevelopment,” NBER Working Papers 8119.

Ambrus, Attila, Erica Field and Robert Gonzalez, Loss in the Time of Cholera: Long-run Impact of a Disease Epidemic on the Urban Landscape

Hanlon, William Walker, Temporary Shocks and Persistent Effects in the Urban System: Evidence from British Cities after the U.S. Civil War (September 2014). NBER Working Paper No. w20471. Available at SSRN:<https://ssrn.com/abstract=2492981>

Bleakley, Hoyt, and Jeff Lin, Portage and Path Dependence. *Quarterly Journal of Economics*, May 2012, volume 127, pp. 587-644.

## **Governance**

### *Readings for Discussion*

\*Fisman, R. (2001), “Estimating the Value of Political Connections,” *American Economic Review* 91(4), 1095-1102.

\*Duflo, Esther and Raghavendra Chattopadhyay, “Women as Policy Makers: Evidence from a Randomized Policy Experiment in India,” *Econometrica* 72(5): 1409-1443, 2004 (also see NBER Working Paper No. 8615; BREAD Working Paper No. 001, 2001).

\*Olken, B. A. (2007), “Monitoring Corruption: Evidence from a Field Experiment in Indonesia,” *Journal of Political Economy*, 115(2), 200-249.

\*Olken, B. A., and P. Barron (2009), “The Simple Economics of Extortion: Evidence from Trucking in Aceh,” *Journal of Political Economy*, 117(3), 417-452.

\*Finan, Frederico and Claudio Ferraz. “Exposing Corrupt Politicians: The Effect of Brazil’s Publicly Released Audits on Electoral Outcomes”, *Quarterly Journal of Economics*, 2008; 123(2): 703-745.

Finan, F. & L. Schechter (2012), “Vote-Buying and Reciprocity,” *Econometrica* 80(2), 863-881.

### *Additional Readings*

Shleifer, A. and R. Vishny (1993), “Corruption,” *Quarterly Journal of Economics* 108(3)

Banerjee, A. (1997), “A Theory of Misgovernance”, *Quarterly Journal of Economics*

Aidt, T. S. (2003), “Economic Analysis of Corruption: A Survey,” *Economic Journal*, 113(491), F632-F652.

- Dekel, E., M. Jackson, and A. Wolinsky, "Vote Buying: General Elections", *Journal of Political Economy* 2008
- Banerjee, A. (1997), "A Theory of Misgovernance," *Quarterly Journal of Economics* 112(4), 1289-1332.
- Bertrand, M., Djankov, S., Hanna, R., & Mullainathan, S. (2007), "Obtaining a Driver's License in India: An Experimental Approach to Studying Corruption," *Quarterly Journal of Economics* 122(4), 1639-1676.
- Casey, K., R. Glennerster, & E. Miguel (2012), "Reshaping Institutions: Evidence on Aid Impacts Using a Pre-Analysis Plan," *Quarterly Journal of Economics* 127(4), 1755-1812.
- Besley, T. and S. Coate (1997), "An Economic Model of Representative Democracy", *Quarterly Journal of Economics*, 112(1):85-114.
- Dixit, A., "Governance Institutions and Economic Activity", *American Economic Review*, 2009
- Feddersen, T.J. and W. Pesendorfer (1996), "The Swing Voter's Curse," *American Economic Review*, 86(3):408-424.
- Finan, Frederico and Claudio Ferraz. "Electoral Accountability and Corruption in Local Governments: Evidence from Audit Reports", February 2010. *American Economic Review*.
- Besley, Timothy, and Robin Burgess. (2002). "The Political Economy of Government Responsiveness: Theory and Evidence from India", *Quarterly Journal of Economics*, 117(4).
- 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).
- Kudamatsu, Masayuki. (2007). "Has Democratization Reduced Infant Mortality in Sub-Saharan Africa? Evidence from Micro Data", unpublished working paper, LSE.  
[<http://personal.lse.ac.uk/kudamats/kudamatsu2006.pdf>]

### **IMPORTANT TOPICS NOT COVERED IN CLASS**

#### **Labor Markets and Contracting**

- Ghatak, Maitreesh and Priyanka Pandey, "Contract Choice in Agriculture with Joint Moral Hazard in Effort and Risk", *Journal of Development Economics* 2000
- Benjamin, Dwayne (1992). "Household Composition, Labor Markets, and Labor Demand: Testing for Separation in Agricultural Household Models," *Econometrica*, 60, 287-322.
- Udry, C. (1994). Gender, agricultural production and the theory of the household, *Journal of Political Economy*.
- Stiglitz, "Incentives and Risk Sharing in Sharecropping", *Review of Economic Studies* 1974
- Bikhchandani, Hirshleifer, Welch, "A Theory of Fads, Fashion, Custom, and Cultural Change as Informational Cascades", *Journal of Political Economy* 1992
- Jacoby, H. (1993). Shadow wages and peasant family labor supply: an econometric application to the Peruvian Sierra, *Review of Economic Studies*, October, 60.4:903-21.
- Jayachandran, S. (2006). "Selling Labor Low: Wage Responses to Productivity Shocks in Developing Countries," *Journal of Political Economy*, 114(3):538-575

Singh, I., L. Squire and J. Strauss, (1986). "A Survey of Agricultural Household Models: Recent Findings and Policy Implications", *World Bank Economic Review*

Strauss, J. (1984). Joint determination of food consumption and production in rural Sierra Leone: estimates of a household-firm model, *Journal of Development Economics*, Jan-Feb, 14:77-104.

Singh, I., L. Squire and J. Strauss (eds.) 1986. *Agricultural Household Models: Extensions, Applications and Policy*, Baltimore: Johns Hopkins University Press, chapters 1,2.

Pitt, M. and M. Rosenzweig. (1986). Agricultural prices, food consumption and the health and productivity of Indonesian farmers, in I. Singh, L. Squire and J. Strauss (eds.), *Agricultural Household Models: Extensions, Applications and Policy*, World Bank.

### **Conflict**

Mitra and Ray, "Implications of an Economic Theory of Conflict: Hindu-Muslim Violence in India (with Debraj Ray), *Journal of Political Economy*, Vol. 122, No. 4 (August 2014)

Miguel Edward, Economic Shocks and Civil Conflict: An Instrumental Variables Approach. *Journal of Political Economy* 112(4) 725-53.

Blattman, Chris, "[Reducing crime and violence: Experimental evidence on cognitive behavioral therapy in Liberia](#)", with Julian Jamison and Margaret Sheridan, forthcoming in *American Economic Review*.

Dube, Oeindrila, "Commodity Price Shocks and Civil Conflict: Evidence from Colombia." (with Juan Vargas). 2013. *Review of Economic Studies*.

Blattman, Chris [Economic Shocks and Conflict: The Evidence from Commodity Prices](#) (2014), with Samuel Bazzi, *American Economic Journal: Macroeconomics* 6(4).

Chassang, S. and G. Padro-I-Miguel, "Conflict and Deterrence Under Strategic Risk", *Quarterly Journal of Economics* 2010

Bisin, A. and T. Verdier, "The Economics of Cultural Transmission and the Dynamics of Preferences", *Journal of Economic Theory* 2001.

Miguel, Edward, Satyanath S. and E. Sergenti. "Poverty and Witch Killing", *Review of Economic Studies*, 2005, 72(4), 1153-1172

### **Public Finance and Collective Action**

Esteban, J. and D. Ray, "Collective Action and the Group Size Paradox", *American Political Science Review* 2001.

Alesina, A., R. Baqir, W. Easterly, "Public Goods and Ethnic Divisions", *Quarterly Journal of Economics* 1999

Edward Miguel and Mary Kay Gugerty. "Ethnic Divisions, Social Sanctions, and Public Goods in Kenya" *Journal of Public Economics* 2005, 89(11-12), 2325-2368.

Rachel Glennerster, Edward Miguel, and Alexander Rothenberg. "Collective Action in Diverse Sierra Leone Communities" *Economic Journal*, 2013, 123(568), 285-316.

Kremer, Michael, and Edward Miguel. "Illusion of Sustainability." *Quarterly Journal of Economics* 122, no. 3 (2007): 1007-1065.

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