Economics 881
Empirical Methods in Development

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Goals
The primary goal of this module is to evaluate empirical approaches to the investigation of long-standing and emerging issues in the micro-economics of development and related fields. Throughout the class, emphasis will be placed on the interaction between the theoretical underpinning of behavioral models and choosing appropriate empirical methods in order to advance scientific understanding of the processes that are investigated. The course will discuss empirical methods ranging from random assignment to structural modeling, taking examples from the literature, with a substantive focus on health and human capital as well as understanding behaviors of individuals, households and families. Empirical challenges that arise with the estimation of models using complex survey and longitudinal data will be discussed along with the interplay between theory, data collection and estimation.

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.

Topics covered
A. Agricultural household: households as consumers and producers;
   Theory and evidence
   Are rural markets complete?
   Labor markets in rural settings

B. Collective models of individuals, households and families
   Individuals and households: Theory and evidence
   Testing the unitary, bargaining and collective models of households
   Living arrangements and family behavior
   Testing models of family behavior

C. Health over the life course
   Early life health and later life outcomes: Theory, biology and evidence
   Health and SES: Isolating causal pathways
   Causal impact of health on labor market outcomes
   Causal impact of income on health

D. Education
   Returns to education
   Impediments to school enrolment: Information and resources
   Returns to post school training
   Exploiting experimental data to validate dynamic structural models
   Education production function: Impact of inputs
Readings

Overview of methodological and substantive advances in development


Deaton, A and N. Cartwright. (2018). Understanding and misunderstanding randomized controlled trials. Social Science and Medicine, 210:2-21. (Also see other articles in that volume.)


### A. Agricultural household models


Department of Economics, Duke University  
Fall 2018


B. Collective models of individuals and families


C. Health over the life course


LaFave, Daniel and Duncan Thomas. (2017). Height and cognition at work: Labor market productivity in...


D. Education


