# Literature list for Development Economics 1 course number 31E15000, Fall 2023, teacher: Miri Stryjan

**The reading list is divided into two parts.** The first part is *general reading*. It lists 4 resources that are useful but not required reading for the course. They can help you gain a better understanding of the issues and topics we discuss in the course, as well as the empirical methods that are emphasized throughout the course – specifically RCTs and quasi-experimental methods such as difference in differences and IV strategies. The resources listed under general reading can be relevant for several lectures throughout the course.

The second parts of this document list the literature for the course, lecture by lecture. For each lecture the literature is divided into required reading – which you will be expected to know for the exam, and optional reading which is recommended for learning more about the topic. Note that some of the *optional reading* may still be discussed in the lectures and/or homework assignments, and you are expected to know and understand the parts that are covered there – but there is no need to read the entire texts if they are listed as optional.

1. General reading in Development economics and Econometrics

**Development Economics book:** The book “Poor economics” provides a broad overview of the areas of study within the field of development economics, along with many concrete insights into the lives of the poor. It is a non-technical book intended for a broad audience, but based on many research studies from development economics in the 21st century. Some of the chapters are optional reading for our lectures (part 3 of this document).

Banerjee A.V., Duflo, E. (2011). Poor economics: a radical rethinking of the way to fight global poverty. New York, Public Affairs. (some chapters assigned below, the rest of the book is highly recommended) Available here: <https://warwick.ac.uk/study/summer-with-warwick/warwick-summer-school/courses/macroeconomics/poor_economics.pdf>

**Econometrics/empirical methods books:**

Using one of these three books is recommended for sharpening your understanding of the empirical methods used in the course.

* Angrist, J.D., Pischke, J.-S Mastering Metrics. Princeton, Princeton University Press. Chapter 1 is available for free at: <http://assets.press.princeton.edu/chapters/s10363.pdf>
* Angrist, Joshua D. and Jörn-Steffen Pischke (2009), “Mostly harmless econometrics: An empiricist’s companion,” Princeton, NJ: Princeton University Press
* Cunningham, S., 2021. *Causal inference: The mixtape*. Yale university press. Available for free via: <https://mixtape.scunning.com/>
1. Reading by lecture

# **Some hints for reading list lecture by lecture below** The readings followed by “Linked on DB” can be found in the following link, organized by Lecture:

<https://www.dropbox.com/sh/3lfiuhl4xajbo7j/AABS8meHAE1XclBjAa8geJzua?dl=0>

Note that to access the journal articles below, you may need to be signed into Aalto’s server. Some of them are best accessed through the library’s search function <https://primo.aalto.fi/discovery/search?vid=358AALTO_INST:VU1&lang=en>

(New search – search for international articles)

PART 1 – “Big picture” questions of development: between country comparisons, concepts of poverty

Lecture 1, 4.9
Introduction to Development economics + Poverty measures

 **Required reading:**

* Miri Stryjan. 2020: introduction to “Poor Economics”, Hebrew edition, English version (Linked on DB+ posted on Mycourses)
* Introduction + Chapter 1 from Poor economics (see link above)

**To know more (Optional)**

* Max Roser and Esteban Ortiz-Ospina (2013) - " Extreme poverty: How far have we come, and how far do we still have to go? ". [Online Resource] Available here: <https://ourworldindata.org/extreme-poverty-in-brief>

Lecture 2, 7.9

Growth models and Development accounting

**Required:**

* Aghion and Howitt (2009): ”The Economics of Growth”. ***Introduction (pages 20-37)***. Linked on DB and available at <http://charitythinking.weebly.com/uploads/4/5/5/4/45542031/the__economics_of_growth.pdf> (Note: weebly pages cannot be opened from an Aalto server)
* Hsieh, C. T., & Klenow, P. J. (2010). Development accounting. *American Economic Journal: Macroeconomics*, *2*(1), **207-23**.
* Jones, C. (2015). The facts of Economic growth, NBER working paper version. ***Sections 2.1 and 4.4*** <https://www.nber.org/system/files/working_papers/w21142/w21142.pdf>

**Optional:**

* Aghion and Howitt (2009): ”The Economics of Growth”. Chapter 1, + Introduction and Conclusions of Chapters 2-4 . Available at <http://charitythinking.weebly.com/uploads/4/5/5/4/45542031/the__economics_of_growth.pdf> (weebly pages cannot be opened from Aalto server)

Lecture 3, 11.9. Misallocation, Fundamental factors of Growth and development

**Required:**

* Jones, C. (2015). The facts of Economic growth, NBER working paper version. ***Sections 4.5 and 4.6***. <https://www.nber.org/system/files/working_papers/w21142/w21142.pdf>
* Acemoglu, D. Introduction to Modern Economic Growth, Princeton University Press 2008. **section 4.1 and 4.3 of Chapter 4**. ([Linked on DB](https://www.dropbox.com/sh/3lfiuhl4xajbo7j/AABS8meHAE1XclBjAa8geJzua?dl=0)) Full book available here: <https://www.theigc.org/sites/default/files/2016/06/acemoglu-2007.pdf>

**Optional:**

* Banerjee, A.V. and Duflo, E., 2005. Growth theory through the lens of development economics. *Handbook of economic growth*, *1*, Elsevier. <https://www.sciencedirect.com/handbook/handbook-of-economic-growth>
* Sachs, J.D., 2001. Tropical underdevelopment (No. w8119). National Bureau of Economic Research. <https://www.nber.org/papers/w8119.pdf>
* Rodrik, D., 2018. An African growth miracle?. *Journal of African Economies*, *27*(1), pp.10-27. <https://drodrik.scholar.harvard.edu/files/dani-rodrik/files/an_african_growth_miracle_01.pdf>

## Lecture 4, 14.9

Institutions 1. Guest Lecture with Prof. Kunal Sen, UNU-WIDER.

**Required:**

* D. Acemoglu, S. Johnson and J. Robinson (AJR, 2001) ‘The Colonial Origins of Comparative Development’. American Economic Review, 91 (5), pp. 1369–1401. Available at: <https://www.jstor.org/stable/2677930>
* D. Acemoglu, S. Johnson and J. Robinson (2002), ‘Reversal of Fortune: Geography and Institutions in the Making of the Modern World’, Quarterly Journal of Economics, 117(4) pp. 1231-1294. <https://www.jstor.org/stable/4132478>

**Optional:**

* Daron Acemoglu and James Robinson (2008), The role of institutions in Growth and Development, available at; <https://rei.unipg.it/rei/article/download/14/22>
* D. Acemoglu and J. Robinson (2005), Institutions as a fundamental cause of long run growth, available at: <https://economics.mit.edu/sites/default/files/publications/institutions-as-the-fundamental-cause-of-long-run-.pdf>
* Lant Pritchett, Kunal Sen and Eric Werker (2017), Deals and Development: The Political Dynamics of Economic Growth, Oxford: OUP , Chapter 1, , available at: <https://directory.doabooks.org/handle/20.500.12854/32167>

## Lecture 5, 18.9

Institutions 2

**Required:**

* Chapter 7 in Roland, G., (2016). Development economics. Routledge (Linked on DB)
* Nunn, N., 2008. The long-term effects of Africa's slave trades. *The Quarterly Journal of Economics*, *123*(1), pp.139-176. <https://www.jstor.org/stable/25098896>

**Optional:**

* Banerjee, A. and Iyer, L., 2005. History, institutions, and economic performance: The legacy of colonial land tenure systems in India. *American economic review*, *95*(4), pp.1190-1213. <https://www.jstor.org/stable/4132711> (also reading for Homework 1).

## Lecture 6, 20,9 (Note: Wednesday!!!)

## Poverty measures and concepts.

**Required:**

* Haughton, J., and S.R. Khandker, Handbook on Poverty and Inequality, World Bank Group, Washington D.C., US., 2009. **Pages 67-72 in chapter 4** (on computation of the Poverty Headcount Index, Poverty Gap Index, Squared Poverty Gap Index) [Link](https://www.google.com/url?sa=i&rct=j&q=&esrc=s&source=web&cd=&ved=0CAIQw7AJahcKEwjA0tiowL2AAxUAAAAAHQAAAAAQAg&url=https%3A%2F%2Fopenknowledge.worldbank.org%2Fbitstream%2Fhandle%2F10986%2F11985%2F9780821376133.pdf&psig=AOvVaw2-UX38fSg9ax_FbiFjlTSR&ust=1691049307224337&opi=89978449)
* *Monitoring global poverty : report of the commission on global poverty (English).* Washington, D.C.: World Bank Group. Section **”Alternative Approaches to Measuring Poverty”, pages 119-138**  (Linked on DB) and available via: <http://documents.worldbank.org/curated/en/353781479304286720/Monitoring-global-poverty-report-of-the-commission-on-global-poverty>

**To know more (Optional)**

* *Reversals of fortune: Poverty and shared prosperity 2020*, [Chapter 1 Monitoring Global Poverty](https://openknowledge.worldbank.org/bitstream/handle/10986/34496/9781464816024_Ch1.pdf), **pages 27-49**, The World Bank, 2020.
* Haughton, J., and S.R. Khandker, [Handbook on Poverty and Inequality](https://openknowledge.worldbank.org/handle/10986/11985), World Bank Group, Washington D.C., US., 2009.

# PART 2 – The Microeconomics of Development: individuals, households and firms

Lecture 7, 25.9, Urban livelihoods and self-employment

**Required:**

* Banerjee, A.V. and Duflo, E., 2007. The economic lives of the poor. *The journal of economic perspectives*, *21*(1), pp.141-167. Especially sections “How the Poor Earn Their Money” and “Markets and the Economic Environment of the Poor”. Available at: <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.21.1.141>
* Drexler, A., Fischer, G. and Schoar, A., 2014. Keeping it simple: Financial literacy and rules of thumb. American Economic Journal: Applied Economics, 6(2), pp.1-31. Available at: <https://eprints.lse.ac.uk/46797/1/Fischer_Keeping_it_simple.pdf>

**Optional:**

* De Mel, S., McKenzie, D., & Woodruff, C. (2008). Returns to capital in microenterprises: evidence from a field experiment. The Quarterly Journal of Economics, 1329-1372. <https://www.jstor.org/stable/40506211>

Lecture 8, 28.9, Financial services for the poor

**Required:**

* Microfinance, second edition. Sections I-IIIE (pages 3-18) VoxDevLit, 2023. Co-editor. With editors: Jing Cai, Muhammad Meki, Simon Quinn; co-editors: Erica Field, Cynthia Kinnan, Jonathan Morduch, and Farah Said. Free access at: <https://voxdev.org/voxdevlit/microfinance>
* Field, E., Pande, R., Papp, J. and Rigol, N., 2013. Does the classic microfinance model discourage entrepreneurship among the poor? Experimental evidence from India. American Economic Review, 103(6), pp.2196-2226. <https://www.jstor.org/stable/42920648>

**Optional:**

* Poor Economics Chapter 7: “The Men from Kabul and the Eunuchs of India: The (Not So) Simple Economics of Lending to the Poor”
* Banerjee, A., Duflo, E., Glennerster, R. and Kinnan, C., 2015. The miracle of microfinance? Evidence from a randomized evaluation. *American Economic Journal: Applied Economics*, *7*(1), pp.22-53.

Lecture 9, 2.10

Agriculture - Guest lecture with Dr. Kalle Hirvonen, IFPRI & UNU WIDER

**Required:**

* Gollin, D., Hansen, C. W., & Wingender, A. M. (2021). Two blades of grass: The impact of the green revolution. *Journal of Political Economy*, 129(8). [https://www.journals.uchicago.edu/doi/full/10.1086%2F714444](https://www.journals.uchicago.edu/doi/full/10.1086/714444)
* World Bank. (2007). Growth and Poverty Reduction in Agriculture's Three Worlds, Chapter 1 in World Development Report: Agriculture for Development. Washington D.C.: The World Bank. Available here: <https://openknowledge.worldbank.org/bitstream/handle/10986/5990/9780821368077_ch01.pdf>

**Optional:**

* Bustos, P., Caprettini, B., & Ponticelli, J. (2016). Agricultural productivity and structural transformation: Evidence from Brazil. *American Economic Review*, 106(6), 1320-1365. Available here: <https://www.cemfi.es/~bustos/Agricultural_Productivity_Structural_Transformation.pdf>
* Vandercasteelen, J., Beyene, S. T., Minten, B., & Swinnen, J. (2018). Cities and agricultural transformation in Africa: Evidence from Ethiopia. *World Development*, 105, 383-399.

Lecture 10, 5.10

Violence and Conflict - Guest lecture with Prof. Patricia Justino, UNU WIDER & IDS Brighton

**Required:**

* Verwimp, Philip, Patricia Justino and Tilman Brück. 2018. “The Microeconomics of Violent Conflict”, Journal of Development Economics, [https://doi.org/10.1016/j.jdeveco.2018.10.005](https://doi.org/10.1016/j.jdeveco.2018.10.005%22%20%5Ct%20%22_blank%22%20%5Co%20%22Persistent%20link%20using%20digital%20object%20identifier) (open access).
* Justino, Patricia. 2012. “War and Poverty”, in Michelle Garfinkel and Stergios Skaperdas (eds.), Handbook of the Economics of Peace and Conflict, Oxford University Press, Chapter 27. <https://sites.socsci.uci.edu/~mrgarfin/OUP/papers/Justino.pdf>

**Optional:**

* Blattman, Christopher and Edward Miguel. 2010. “Civil War”, Journal of Economic Literature 48 (1): 3-57.
* Humphreys, Macartan and Jeremy Weinstein. 2008. “Who Fights? The Determinants of Participation in Civil War”, American Journal of Political Science 52(2): 436-455.
* Mampilly, Zachariah. 2011. Rebel Rulers: Insurgent Governance and Civilian Life During War. Cornell University Press. Chapter 1.
* World Bank. 2011. World Development Report 2011: Conflict, Security and Development. The World Bank, Washington D.C.

Lecture 11, 9.10, Health in developing countries

**Required:**

* Dupas, P. 2011. Health behavior in developing countries. *Annual Review of Economics*, *3*, pp.425-449. <https://www.annualreviews.org/doi/abs/10.1146/annurev-economics-111809-125029>
* Jayachandran, S. and Pande, R., 2017. Why are Indian children so short? The role of birth order and son preference. *American Economic Review*, *107*(9), pp.2600-2629. <https://www.jstor.org/stable/26527922>

**Optional:**

* Poor economics chapter 3 on Health
* Poor economics chapter 5 on Fertility decisions

## Lecture 12, 12.10, Technology adoption (applications to health and agriculture)

**Required:**

* Foster, A.D. and Rosenzweig, M.R., 2010. Microeconomics of technology adoption. *Annual Review of Economics 2*(1), pp.395-424 (<https://www.jstor.org/stable/42940335>) ***Sections 1, 2a and 3.***
* Magruder, J.R., 2018. An assessment of experimental evidence on agricultural technology adoption in developing countries. *Annual Review of Resource Economics*, *10*, pp.299-316. (Linked on DB)
* [A New Look at An Old Problem: Why Do So Many Poor Children Miss Out on Essential Immunizations?](https://www.povertyactionlab.org/sites/default/files/research-paper/6.21.11-ChildPovertyImmunization_unicef.pdf) Short UNICEF summary

**Optional:**

* McKenzie, D., Woodruff, C., Bjorvatn, K., Bruhn, M., Cai, J., Gonzalez-Uribe, J., Quinn, S., Sonobe, T., and M. Valdivia, “Training Entrepreneurs” VoxDevLit, 1(2), August 2021, available here: <https://voxdev.org/sites/default/files/Training_Entrepreneurs_Issue_2.pdf>
* Banerjee, A.V., Duflo, E., Glennerster, R. and Kothari, D., 2010. Improving immunisation coverage in rural India: clustered randomised controlled evaluation of immunisation campaigns with and without incentives. Bmj, 340. <https://www.bmj.com/content/340/bmj.c2220>