# Literature and course plan for Development Economics 1 course number 31E15000

**General reading in Development economics and Econometrics**

Banerjee A.V., Duflo, E. (2011). Poor economics: a radical rethinking of the way to fight global poverty. New York, Public Affairs.

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

# The texts followed by “Linked on DB” can be found in the following link, organized by Lecture:

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

# PART 1 - The Microeconomics of Development

Lecture 1, 13.9
Introduction to Development economics + Urban livelihoods and self-employment

 **Required:**

**\*For background to Development Economics (two short texts):**

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

**\*For the first course topic: Urban livelihoods, small firms and self-employment**

* 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: <http://economics.mit.edu/files/530>
* 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.

**Optional:**

* Max Roser and Esteban Ortiz-Ospina (2013) - "Global Extreme Poverty". [Online Resource] Available here: <https://ourworldindata.org/extreme-poverty>

Lecture 2, 15.9

## Financial services for the poor

**Required:**

* 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.
* Poor Economics Chapter 7: “The Men from Kabul and the Eunuchs of India: The (Not So) Simple Economics of Lending to the Poor”

**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.
* Poor Economics chapter 6 “Barefoot Hedge Fund Managers” (about insurance)

## Lecture 3, 20.9

## Poverty measures and concepts.

## **Guest lecture with Professor Carlos Gradín from UNU WIDER**

**Required:**

* [*Measuring Poverty in South Africa*](https://www.justice.gov.za/commissions/feeshet/hearings/set5/set05-d1-DrPaliLehohla-MeasuringPovertyReport.pdf), Technical Report D0300, Statistics South Africa, 2008. **Pages 1-35**.
	+ (For updated numbers on poverty lines in this report, see also [National Poverty Lines, 2020](http://www.statssa.gov.za/publications/P03101/P031012020.pdf), Statistical Release P0310.1, Statistics South Africa, 2020.)
* *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.
* *Global Multidimensional Poverty Index 2020 - Charting pathways out of multidimensional poverty: Achieving the SDGs*, [Part I. The global Multidimensional Poverty Index](http://hdr.undp.org/sites/default/files/2020_mpi_report_en.pdf), **pages 2-17**, Oxford Poverty and Human Development Initiative (OPHI) and Human Development Report Office of the United Nations Development Programme (UNDP), 2020.

**To know more (Optional)**

* 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.
* Berenger, V., [The counting approach to multidimensional poverty. The case of four African countries](https://igmozambique.wider.unu.edu/journal-article/counting-approach-multidimensional-poverty), South African Journal of Economics, 87(2): 200-227, 2019.

Lecture 4, 22.9

Health in developing countries

**Required:**

* Dupas, P. 2011. Health behavior in developing countries. *Annual Review of Economics*, *3*, pp.425-449.
* 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.

**Optional:**

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

Lecture 5, 27.9

Agricultural markets

**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).
* 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 6, 29.9

## Technology adoption (applications to entrepreneurship, health and agriculture)

**Required:**

* Foster, A.D. and Rosenzweig, M.R., 2010. Microeconomics of technology adoption. *Annu. Rev. Econ.*, *2*(1), pp.395-424 (Linked on DB) ***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.

PART 2 – Macro, between country comparisons

Lecture 7, 4.10

Introduction to between country differences in growth and prosperity

**Required:**

* Spolaore, E. and R. Wacziarg (2013). ”How Deep are the Roots of Economic Development?”, Journal of Economic Literature, 51(2) Only **sections 1-2**.
Link: <https://www.jstor.org/stable/pdf/23644748.pdf>.
* Acemoglu, D. Introduction to Modern Economic Growth, Princeton University Press 2008. **Chapter 4, section 4.1**. ([Linked on DB](https://www.dropbox.com/sh/3lfiuhl4xajbo7j/AABS8meHAE1XclBjAa8geJzua?dl=0)) Full book available here: <https://www.theigc.org/wp-content/uploads/2016/06/acemoglu-2007.pdf>
* Nunn, N. and Puga, D., 2012. Ruggedness: The blessing of bad geography in Africa. Review of Economics and Statistics, 94(1), pp.20-36. ***No need to read the Econometric framework in detail.***

**Optional:**

* Sachs, J.D., 2001. Tropical underdevelopment (No. w8119). National Bureau of Economic Research. <https://www.nber.org/papers/w8119.pdf>
* Roser, M. and Ortiz-Ospina, E. (2013) "Global Extreme Poverty". Published online at OurWorldInData.org. [Online Resource] Available here: <https://ourworldindata.org/extreme-poverty>

Lecture 8: Violence and Conflict

**Guest lecture with Professor 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> (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://hicn.org/wp-content/uploads/sites/10/2012/06/wp81.pdf](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fhicn.org%2Fwp-content%2Fuploads%2Fsites%2F10%2F2012%2F06%2Fwp81.pdf&data=04%7C01%7Cstryjam1%40aaltofi.mail.onmicrosoft.com%7C20a7e15bbc354e9dfc7f08d96f7ea9b1%7Cae1a772440414462a6dc538cb199707e%7C1%7C0%7C637663412861162087%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C1000&sdata=3BwX9kseacdbWjBs4ZJm1eHPK5OnyxPGnX8RYuIIsXc%3D&reserved=0)

**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 9 Institutions

**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.

**Optional**

* Nunn, N. and Wantchekon, L., 2011. The slave trade and the origins of mistrust in Africa. *American Economic Review*, *101*(7), pp.3221-52.

## Lecture 10: Institutions, 13.10**Guest lecture by Professor Kunal Sen, Director of UNU WIDER.**

**Required:**

* D. Acemoglu and J. Robinson (2005), Institutions as a fundamental cause of long run growth, available at: <https://economics.mit.edu/files/4469>
* D. Acemoglu, S. Johnson and J. Robinson (AJR, 2001) ‘The Colonial Origins of Comparative Development’. American Economic Review, 91 (5), pp. 1369–1401

**Optional:**

* Daron Acemoglu and James Robinson (2008), The role of institutions in Growth and Development, available at; <https://pdfs.semanticscholar.org/4219/d2e4c613e7418a3701250efbfb813d70e0e4.pdf?_ga=2.5189936.2016774121.1561310163-320242702.1561310163>
* Lant Pritchett, Kunal Sen and Eric Werker (2017), Deals and Development: The Political Dynamics of Economic Growth, Oxford: OUP , Chapter 1, , available at: <https://www.oxfordscholarship.com/view/10.1093/oso/9780198801641.001.0001/oso-9780198801641>
* North, Douglas, John Wallis, Stephen Webb and Barry Weingast (2007), Limited Access Orders in the Developing World: A New Approach to the Problems of Development, available at: <http://documents.worldbank.org/curated/en/906591468315558892/Limited-access-orders-in-the-developing-world-a-new-approach-to-the-problems-of-development>

Lecture 11: Growth, 18.10

**Required:**

* Aghion and Howitt (2009): ”The Economics of Growth”. ***Introduction (pages 20-37)***. Available at <http://charitythinking.weebly.com/uploads/4/5/5/4/45542031/the__economics_of_growth.pdf> (and linked on DB)
* 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 4.4, 4.5 and 4.6***. Available at: <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>.
* Banerjee, A.V. and Duflo, E., 2005. Growth theory through the lens of development economics. *Handbook of economic growth*, *1*, pp.473-552.

## Lecture 12, 20.10 (Last lecture)Summary and wrap up of the course: connecting parts 1 and 2 and preparing for the exam.

**Required:**

* Tompsett, A., 2020. The Lazarus drug: the impact of antiretroviral therapy on economic growth. Journal of Development Economics, 143, p.102409. **Sections 1 and 2.** (Linked on DB)
* Abaluck, J., Kwong, L.H., Styczynski, A., Haque, A., Kabir, M.A., Bates-Jefferys, E., Crawford, E., Benjamin-Chung, J., Benhachmi, S., Raihan, S. and Rahman, S., 2021. Normalizing Community Mask-Wearing: A Cluster Randomized Trial in Bangladesh (No. w28734). National Bureau of Economic Research. Especially **sections 1, 2 and 3**.

Available here: <https://www.nber.org/system/files/working_papers/w28734/w28734.pdf>