

Princeton University  
Woodrow Wilson School  
WWS 562b  
Spring 2004  
Economic Analysis of Development (Basic)

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Requirements

Problem Sets:	20%
Group Policy/Case Exercise:	20%
Midterm exam:	25%
Final exam:	25%
Class participation:	10%

Problem Sets: One problem set will be optional. If all problem sets are turned in, the lowest grade will be dropped.

Group Policy Exercise: The primary goal of this class is to apply theoretical and empirical economic analysis to real policy problems. To facilitate this, select weeks will include a brief presentation by one group on a policy proposal or case. By the second week of class, you should have formed groups and scheduled these presentations. Further guidance on these will be provided on a case-by-case basis for each topic. Each person will be involved in one and only one group policy presentation. A one-page synopsis of each presentation should be turned the day of the presentation.

Readings: Most of the assigned journal articles can be obtained through electronic reserves. A few are on the web with the web address noted. Books and articles that cannot be put into electronic reserves will be on reserve in Wallace Library. If you find that something that should be on reserve is not, please email me and let me know so that I can inform the librarians or make the paper available by some other means. Class lecture will include some papers not included below. Such papers will be available on blackboard or ereserve, but will not be required reading.

Midterm and Final Exams: The midterm will be an in-class, open-everything exam in week six of class. The final will be take home.

Office Hours: My office hours are merely *suggested* times to meet with me. If you want to meet at another time or day, please email me to schedule it.

1) Feb 2 Week:

Poverty Measurement & Macro vs Micro Measurement Issues

- a) Deaton, Angus. 1997. The Analysis of Household Surveys. Ch 3 (up to page 169)
- b) Deaton, Angus “Measuring Poverty in a Growing World”,  
[http://www.wws.princeton.edu/%7Erpds/Downloads/deaton\\_measuring\\_poverty.pdf](http://www.wws.princeton.edu/%7Erpds/Downloads/deaton_measuring_poverty.pdf)

2) Feb 9 Week:

Poverty Targeting and Sustainability

- a) Grosh, Margaret. 1992. “The Jamaican Food Stamps Programme: A Case Study in Targeting,” Food Policy, February.
- b) Case, A. and A. Deaton. 1998. “Large Cash Transfers to the Elderly in South Africa,” Economic Journal, Vol. 108, No. 450, pp. 1330-1361.
- c) Schady, Norbert. 1999. “Picking the Poor: Indicators for Geographical Targeting in Peru.” World Bank Working Paper.  
[http://econ.worldbank.org/files/1287\\_wps2477.pdf](http://econ.worldbank.org/files/1287_wps2477.pdf)

3) Feb 16 Week:

Gender and Intra-Household Allocation

- a) Duflo and Udry, “Intrahousehold Resource Allocation in Cote d'Ivoire: Social Norms, Separate Accounts and Consumption Choices” <http://econ-www.mit.edu/faculty/eduflo/files/papers/ivoire6.pdf>
- b) Deaton, Angus. 1986. “Looking for Boy-Girl Discrimination in Household Expenditure Data,” World Bank Economic Review, 3(1), pp. 1-15.
- c) Garg, Ashish and Morduch, Jonathan. 1998. “Sibling Rivalry and the Gender Gap: Evidence from Child Health Outcomes in Ghana.” Journal of Population Economics 11(4), pp. 471-493.
- d) Mammen, Kristin and Christina Paxson. 2000. “Women’s Work and Economic Development.” Journal of Economic Perspectives. 14(4), Fall.

4) Feb 23 Week:

Informal Economies

- a) Besley, Timothy “Nonmarket Institutions for Credit and Risk Sharing in Low-Income Countries”, *JEP* 9(3) 115-127
- b) Anderson & Baland “The Economics of ROSCAs and Intrahousehold Resource Allocations” Quarterly Journal of Economics 117(3) 963-995.
- c) Anderson & Baland & Moene “Sustainability and organizational design in informal groups: some evidence from Kenyan Roscas” working paper  
<http://www.wws.princeton.edu/~dkarlan/downloads/anderson-baland-moene.wp.pdf>

5) March 1 Week:

Education

- a) Case, Anne and Deaton, Angus. 1999. "School Inputs and Educational Outcomes in South Africa." *QJE*, 114: 1047-1084.
- b) Hanushek, Eric. 1995. "Interpreting Recent Research on Schooling in Developing Countries." *World Bank Economic Observer*. 10(2): 227-46.
- c) Kremer, Michael. 1995. "Research on Schooling: What We Know and What We Don't: A Comment." *World Bank Economic Observer*. 10(2)
- d) Duflo, Ester. 1999. "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment." AER, link to paper: <http://web.mit.edu/eduflo/www/indpapaer.pdf>
- e) Kremer, Michael 2003. "Randomized Evaluations of Educational Programs in Developing Countries: Some Lessons" [http://post.economics.harvard.edu/faculty/kremer/webpapers/Randomized\\_Evaluations.pdf](http://post.economics.harvard.edu/faculty/kremer/webpapers/Randomized_Evaluations.pdf)

6) March 8 Week:

Education (continued)

Midterm

7) March 15 Week (Spring Break)

8) March 22 Week:

Health and Nutrition

- a) Miguel and Kremer, Worms paper
- b) Duncan Thomas and John Strauss, "Health, Nutrition and Economic Development," *Journal of Economic Literature*, June 1998.
- c) Strauss, John. 1986. "Does Better Nutrition Raise Farm Productivity?" *Journal of Public Economics*, 94, 297-320.

9) March 29 Week:

History of Development Aid & Growth & Inequality

- a) Easterly W. and R. Levine (1997) "[Africa's Growth Tragedy: Policies and Ethnic Divisions](#)" *The Quarterly Journal of Economics*.
- b) Collier, Paul and Gunning, Jan Willem, "Why Has Africa Grown Slowly?" *JEP* 13(3), 3-22.
- c) Acemoglu, Daron, Simon Johnson, and James A. Robinson, "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, December 2001

10) April 5 Week:

Growth (continued): Institutions & Corruption

- a) Bardhan, P. (1997) "Corruption and Development: A Review of Issues" *Journal of Economic Literature*, Vol. XXXV
- b) North, D.C. (1991) "Institutions," *J of Economic Perspectives*, vol. 5, #1
- c) Miguel, Ted (2002) "Tribe or Nation? Nation-Building and Public Goods in Kenya versus Tanzania"  
[http://emlab.berkeley.edu/users/emiguel/miguel\\_nation.pdf](http://emlab.berkeley.edu/users/emiguel/miguel_nation.pdf)

APRIL 7<sup>TH</sup>: JOHN HATCH & DIDIER THYS, GUEST LECTURERS

11) April 12 Week:

Land Tenure, Property Rights and Agricultural Technology

- a) Feder, Gershon and David Feeny. 1991. "Land Tenure and Property Rights," *World Bank Economic Review* 5(1), 1991, 135-154 (skip appendix)
- b) Besley, Timothy. 1995. "Property Rights and Investment Incentives: Theory and Evidence from Ghana." *Journal of Political Economy* 103(5), pp. 903-37.
- c) Field, E. (2002) "Entitled to Work: Urban Property Rights and Labor Supply in Peru" <http://www.princeton.edu/~emfield/Fieldjmp.pdf>

Credit Markets (see next week)

12) April 19 Week:

Credit Markets

- a) Morduch, J. (1999): "The Microfinance Promise" *Journal of Economic Literature*, n.4, pp.1569-1614
- b) Pitt, M. and Khandekar, S. (1998): "The Impact of Group--Based Credit Programs on Poor Households in Bangladesh: Does the Gender of Participants Matter?" *Journal of Political Economy* 106 (5)
- c) Karlan, Dean (2002): "Social Capital and Group Banking"  
<http://www.wws.princeton.edu/~dkarlan/downloads/soccappaper.pdf>
- d) Morduch, J. (1999) "The Microfinance Schism," *World Development*, April.
- e) Karlan, Dean and Zinman, Jonathan (2003): "Demand Elasticity: A Field Experiment in Consumer Credit in South Africa"

13) April 26 Week

Savings Markets

- a) Mark Rosenzweig, "Savings Behavior in Low-Income Countries," *Oxford Review of Economic Policy* 17, No. 1, Spring 2001, 40-54.
- b) Rosenzweig, Mark R. and Kenneth I. 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*. Vol. 101. No. 2. pp. 223-244. 1993.

14) May 3 Week (Reading Period)

15) May 10 Week (Final Exam)