ECON 760 Microeconomics of Development  
Spring 2019  
Instructor: Dr. Anita Alves Pena

Office: C327 Clark, Phone: 970-491-0821, Fax: 970-491-2925, Email: anita.pena@colostate.edu

Scheduled Class Meetings: MWF 9-9:50am, Eddy 107 (unless arranged otherwise, please note some cancellations on schedule due to professor travel, please continue reading and look for discussion board prompts online during these times)

Office Hours: M 10-11am after class, or stop by and knock, or make an appointment

Textbooks:  

Course website: login at http://canvas.colostate.edu (will be up by Week 2)

Course Objectives and Intended Learning Outcomes:  
Students will learn the microeconomic theory of development that is relevant to the poorest countries in the world. This will include the study of information based market failures, coordination failures, the role of institutions, and the role of the state, primarily in the context of predominantly rural agrarian based economies. Dualism, interlinked credit and labor markets, dependency, migration and population will be examined as specific concepts/issues in these countries. Students also will learn how empirical research is undertaken using data from household surveys. Students will read journal articles using household survey data that are representative of the current field and will complete a research study of their own (replicating a published study) using data from a household survey in a developing country. The importance of paying attention to gender in development will be emphasized throughout the course. The course will be a combination of lectures by the professor, presentations by students, and seminar-style discussion. Students will be expected to participate actively in discussion of the lecture material and the selected articles. At the end of the course, students will make short presentations of their research to the class. Students will be evaluated on the basis of their participation in class discussions, “referee” reports of assigned papers, class presentations including that on personal research, and research paper.

Prerequisites:  
First-year graduate microeconomics and econometrics, or equivalent. I will assume that you are already familiar with at least first-semester level theory and tools from these sequences and therefore can read, understand, and discuss academic literature within economics.

Contact Hours and Expectations for Work Outside of Instructional Time:  
There will generally be several assigned required readings (journal articles) per week which may take one to two hours (or longer) each depending on your particular background and reading speed. This is in addition to book chapter readings which provide overview, and in addition to preparation of presentations and written assignments. The quality of class discussions depends on your preparation whether or not you are presenter so please keep this in mind even if nothing is physically due. This is a three credit course and therefore there is a six hour per week (at least) expectation for homework and other work
outside of instructional time (equivalent to the federal credit hour definition of two hours of outside work for each contact hour). In some weeks, you may do more. This is a graduate class, and you are preparing for your professional future.

Other Expectations:
That you will be respectful of me and your classmates and will take the course seriously.

Department's Statement on Copyright:
Please do not share material from this course in online, print or other media. Course material is the property of the instructor who developed the course. Materials authored by third parties, which may be used in the course, are also subject to copyright protections. Posting course materials on external sites (commercial or not) violates both copyright law and the CSU Student Conduct Code. Students who share course content without the instructor's express permission, including with online sites that post materials to sell to other students, could face disciplinary or legal action.

Academic Integrity:
This course will adhere to the CSU Academic Integrity Policy as found on the Student Responsibilities page of the CSU General Catalog and the Student Conduct Code. At minimum, violations will result in a grading penalty in this course and a report to the Office of Conflict Resolution/Student Conduct Services.

Grading:
Please note the due dates (due at start of class unless otherwise noted) for assignments on the schedule below. Note that you may have a presentation on the same date that something else is due. In this case, you will need to plan ahead.

Class Participation (10%): Attendance, participation, and preparation for class is expected. Note that a relatively large percentage of your final grade therefore is in this category since the quality of class discussion really does depend on your comments, reflections, and questions. To ensure that this happens, while you read, you should make sure that you can briefly summarize the research question, data, design, and (main) result and provide an analytical response to the paper (E.g., Any flaws? Assumptions and design believable? What you still don’t understand and why it’s confusing? Extensions? Etc.). I will select students during each class to discuss their thoughts along these lines, and therefore you should be prepared to speak.

Literature Presentations (30%): Each of you will present three papers to the class from the syllabus below and lead subsequent discussion. Presentations should be of similar format to how papers are presented in a short academic seminar. This means that you should have presentation slides. Preparing these presentations will give you a chance to polish your academic presentation skills and will give you detailed understanding of the papers you present. You should aim for a presentation that is 20-30 minutes to allow plenty of discussion (which you will lead). I will randomly assign the presentations early in the semester. Note that readings listed with a “[P]” in front will be (tentatively) presented by a student. That student will also lead the class discussion of the paper. I will add additional presentations (from existing readings) if more people join the class in the registration period, and I reserve the right to switch which papers will be presented by students as the semester progresses, and I will randomly assign the papers for presentations throughout the term.

Mock Referee Reports (20%): You will write two mock referee reports based on job market papers (provided by the professor) in development economics. Reports should be two or three single-spaced typewritten pages. Reports should briefly summarize (one paragraph tops) and then elaborately critique the paper (i.e. is the question well motivated, is appropriate data used, are identifying assumptions reasonable, is the model appropriate for the question, etc.) The goal is to provide concrete and
meaningful suggestions on improvement of the paper to the author. I will provide other details in class and online. The assignments are meant to help you develop the skill of professional critiquing and also to allow you to see examples of (current year) job market papers.

Research Project (30%): Students will choose a household level dataset from the World Bank’s Living Standard Measurement Study-LSMS (http://surveys.worldbank.org/lsms) or a similar data source and propose it on a first-come, first-served basis to the professor. No two students will use the same data. There are many unrestricted surveys online with codebooks in English (and often also in native languages which you are welcome to use if your language abilities allow). If you have access from elsewhere to a different LSMS or data source, you may propose it. The research project will involve recreating the empirical analysis from a key paper in development economics for the country of your choice and writing up the results as a comparison to the original paper. The professor will assign the paper along with particular elements that should be recreated. Students will turn in a “theory” section and summary statistic tables early in the semester and will turn in empirical model research findings at the end of the term. There is no suggested page or word count and therefore you are asked to determine what is appropriate for the country that you are studying.

Presentation of Research/Data Project (10%): You will present your research project to the class near the end of the term. Like for other class presentations, you should have presentation slides. You should aim to motivate class discussion in your presentation. I envision that well-thought out and presented topics may lead to dissertation chapters or masters theses later. I will assign the presentation slots randomly.

Syllabus and Reading List:
This schedule is subject to change and will be revised later in the semester if necessary. You are expected to complete the following reading whether or not we focus on specifics in class.

Week 1 (JAN 21): Introduction to the Microeconomics of Development
- Introductions to both textbooks

Week 2 (JAN 28) and Week 3 (FEB 4): Introduction to Methods and Data
NOTE: CLASS WILL NOT MEET JANUARY 30 OR FEBRUARY 1
- Chpt. 1 of Deaton (1997)

Week 4 (FEB 11): REFEREE REPORT #1 DUE FEB 13 IN CLASS
Agricultural Household Model, Intrahousehold Allocation, and Economies of Scale

- B & U Ch 2 HH Economics and Ch 3 Population
- Ch. 4 of Deaton (1997)

Week 5 (FEB 18): Labor and Migration

- B & U Ch 4 Fragmented Markets (Labor) and Ch 5 Migration

Week 6 (FEB 25): Land, Credit, and Savings

- B & U Ch 6 Rural Land Markets and Ch 7 Fragmented Markets (Credit)
- Ch. 6 of Deaton (1997)

Week 7 (MAR 4): Risk, Insurance, and Rural Markets

NOTE THAT CLASS WILL NOT MEET MARCH 6

- B & U Ch 8 Risk and Insurance in Agriculture and Ch 9 Interlinkages in Rural Markets

Week 8 (MAR 11): THEORY PART AND SUMMARY STATISTICS TABLES OF PAPER DUE MAR 13 IN CLASS
**Risk, Insurance, and Rural Markets**


**Week 9 (MAR 18): SPRING BREAK WEEK**

**Week 10 (MAR 25): Education**


**Week 11 (APR 1): REFEREE REPORT #2 DUE APR 3**

**NOTE THAT CLASS WILL NOT MEET APRIL 3 OR 5**

**Human Capital and Income Distribution**

- B & U Ch 10 Human Capital and Income Distribution and Ch 11 Poverty Alleviation

**Week 12 (APR 8): Health**

Week 13 (APR 15): Health


Week 14 (APR 22): FORMATTED REGRESSION TABLES DUE APR 24 IN CLASS

Coordination and Institutions

- B & U Ch 16 Intersectoral Complementarities and Coordination Failures and Ch 17 Institutional Economics and the State

Week 15 (APR 29): Learning, and Technology

- B & U Ch 12 Technical Progress and Learning

Week 16 (MAY 6): PRESENTATIONS OF RESEARCH PAPERS

Students will present final papers and receive feedback to be incorporated into final drafts of their papers; depending on final enrollment in the class, we may need to extend class periods this week; TBD

Week 17 (MAY 13): EXAM WEEK: RESEARCH PAPERS DUE

May 14: 7:30-9:30am is our scheduled final exam time by the university; therefore 9:30am SHARP is the deadline to submit your final revised paper; please submit a printed copy to my mailbox or under my door; It is expected that you will have incorporated changes as indicated by presentation feedback from the week before