440.663.51: Development Microeconomics

Class meetings: Tuesdays, 6:00pm – 8:45pm, May 14 – August 20
Instructor: Dr. Bilal Zia
Office hours: by appointment (email for times)
Email: bzia@worldbank.org

Course description
This course analyzes the constraints on individuals, households, and policy-makers in developing countries. We will study household and individual behavior under different types of market failures and learn how to evaluate the impact of development policy interventions. The overall goal of this course is to help develop your ability to read and critique research in development economics. The instruction will be based on recent journal articles and working papers, along with appropriate textbook references. The required textbook readings are meant to provide background and context; the class discussions will focus mainly on journal articles and papers.

Prerequisites
440.601 Microeconomic Theory and Policy; 440.606 Econometrics

Requirements
You should keep up to date with the readings and participate in class. You may find it helpful to form study groups to cover the class readings in advance of classes. On the reading list, required readings are indicated with a *, and other recommended readings have no stars.

Class participation will count for 15% of the semester grade. The class will be mainly discussion-oriented, and participation in the discussion will be an important component of your class grade.

A group paper (4-5 pages) and presentation will count for 25% of the semester grade. I will randomly assign group partners in class and total number of groups and group size will depend on total class size. Each group will be given a separate assignment question. Starting Class 9 onwards, we will start our sessions with a group presentation (20 minute presentation and 10 minute discussion).

An individual final (8-10 pages) paper about a proposed field experiment will count for 25% of the semester grade. The paper must be submitted before the last class session.

The final exam will count for 35% of the semester grade, and will cover class readings and discussion. Scheduling conflicts with exam dates must be cleared with me at least 2 weeks in advance. Any rescheduled exams must be taken earlier than the scheduled exam.

Days we will not meet
We will not have class instruction on Tuesday, June 11. However, I highly recommend that you meet as groups to prepare your presentations and written assignments.

Disabilities
If you believe you need an accommodation for a disability, please let me know at your earliest convenience. Some aspects of this course may be modified to facilitate your participation and progress. I will treat any information you provide as private and confidential.
Course materials

Required Text


Optional Text


Course Outline and Readings

Class 1 (May 14): Introduction to Economic Development – Facts and Puzzles

Textbook Chapters:

*Ray, Chapters 1, 2, and 3

Articles and Papers:


Class 2 (May 21): Poverty, Productivity, and Nutrition

Textbook Chapters:

*Ray, Chapters 6, 8, and Chapter Section 13.4

Bardhan and Udry, Chapters 10 and 11

Articles and Papers:


Class 3 (May 28): Development Evaluations and Empirical Methods

Textbook Chapters:
* Ray, Appendix 2 (pg. 777-804)

Articles and Papers:

Class 4 (June 4): Health

Articles and Papers:

Class 5 (June 11): No class, time allocated to group assignment and presentation preparation

Class 6 (June 18): Education

Articles and Papers:


**Class 7 (June 25): Decision Making Within Households**

**Textbook Chapters:**

*Bardhan and Udry, Chapter 2*

**Articles and Papers:**


**Class 8 (July 2): Credit Markets and the Promise of Microfinance**

**Textbook Chapters:**

*Ray, Chapter 14*

*Bardhan and Udry, Chapter 7*

**Articles and Papers:**


**Class 9 (July 9): Savings**

**Articles and Papers:**


**Class 10 (July 16): Insurance**

**Textbook Chapters:**

*Ray, Chapter 15

Bardhan and Udry, Chapter 8

**Articles and Papers:**


**Class 11 (July 23): Migration and Remittances**

**Articles and Papers:**


World Bank, Migration and Remittances Fact Book. Online resource. (Skim the data on this website and look up information for regions and countries of interest to you.)

http://go.worldbank.org/QGUCPJTOR0


**Class 12 (July 30): Financial Literacy**

**Articles and Papers:**


Bruhn, Miriam, Dean Karlan, and Antoinette Schoar (2010). What Capital is Missing in Developing Countries? American Economic Review Papers and Proceedings, 100 (2): 629-33

**Class 13 (August 6): Behavioral Economics Meets Development Economics**

Fun Books to Read (not required):


Articles and Papers:


**Class 14 (August 20): Final Exam**