440.663.51: Development Microeconomics

Class meetings: Mondays, 6:00pm – 8:15pm, May 15 – August 14
Instructor: Dr. Bilal Zia
Office hours: by appointment (email for times)
Email: bzia1@jhu.edu

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 journal articles and working papers, along with appropriate textbook references. The required textbook readings are meant to provide background and context; the class will focus mainly on journal articles and papers.

The course will be taught in a blended fashion, with a mix of in-person and online lectures. The syllabus below identifies which lectures will be taught online. More details on the schedule will be provided in the first class on May 15, which will be in-person in the assigned classroom.

Prerequisites
440.601 Microeconomic Theory and Policy; 440.606 Econometrics

Requirements
You should keep up to date with the readings and may find it helpful to form study groups to cover the class readings. 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 in-person lectures will be 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 50% of the semester grade. I will randomly assign students into three groups, and group size will depend on total class size. Each group will be given a separate assignment question. Group presentations will consist of a 45 minute presentation for each group with all members participating. The presentations will take place in class in lectures 10, 11, and 12.

The final exam will count for 35% of the semester grade, and will cover class readings and discussion. The exam will be held on the final day of class, Monday August 14. 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.

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: Introduction to Economic Development – Facts and Puzzles (May 15)

Textbook Chapters:
*Ray, Chapters 1, 2, and 3

Articles and Papers:


Class 2: How are Developing Countries Different? A Brief Macro Overview of Public Finance and Taxation, and Implications for Poverty Alleviation (Guest Lecture by Dr. Anne Brockmeyer, The World Bank) (May 22)

Textbook Chapters:

Articles and Papers:


Jonathan Gruber (2013), Public Finance and Public Policy, fourth edition, Chapter 1 (Why Study Public Finance?).


Class 3: Microeconomic Determinants of Poverty, Productivity, and Nutrition (June 5)

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

Bardhan and Udry, Chapters 10 and 11

Articles and Papers:


Class 4: Development Evaluations and Empirical Methods (June 12) – ONLINE LECTURE

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

Articles and Papers:


**Class 5: Non-Experimental Methods (June 19) – ONLINE LECTURE**

**Class 6: Health and Education (June 26) – ONLINE LECTURE**

Articles and Papers:


**Class 7: Decision Making Within Households (July 3) – ONLINE LECTURE**

Textbook Chapters:

*Bardhan and Udry, Chapter 2*

Articles and Papers:


**Class 8: Credit Markets and the Promise of Microfinance (July 10) – ONLINE LECTURE**

**Textbook Chapters:**

*Ray, Chapter 14

Bardhan and Udry, Chapter 7

**Articles and Papers:**


Beatriz Armendariz and Jonathan Morduch, The Economics of Microfinance, MIT Press, 2005. Chapters 1, 2, 4, and 5

**Class 9: Savings and Insurance (July 17) – ONLINE LECTURE**

**Textbook Chapters:**

*Ray, Chapter 15

Bardhan and Udry, Chapter 8

**Articles and Papers:**


**Class 10: Migration and Remittances July (24)**

**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 11: Financial Literacy (July 31)

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 12: Behavioral Economics Meets Development Economics (August 7)

Fun Books to Read (not required):


Articles and Papers:

*Duflo, Esther, Michael Kremer, and Jonathan Robinson (forthcoming).* *Nudging Farmers to Use Fertilizer.* American Economic Review.
