

SPE 359: International Development: Institutions, Households, and Policy
Spring 2023
Professor Tanu Kumar
Tuesdays 1 PM- 3:50 PM

What are the barriers to economic growth, and what might lower them? This class reviews cutting edge research on these questions in low- and middle-income countries. The first part of focuses on household-level barriers to growth and the second part considers community, market, or regional-level constraints. There is an emphasis on empirical readings, with studies drawn mainly from South Asia, Sub-Saharan Africa, and Latin America. There may be slightly more readings on India than on other countries; this reflects the state of the discipline and my own expertise (see the reading by Music and Evans in the first week).

By the end of the course, students will be able to:

- 1) Identify the major barriers to wealth accumulation faced by households and firms in low- and middle-income countries;
- 2) Learn how to critically read cutting edge research on political behavior in developing countries;
- 3) Synthesize and evaluate some of the most common or promising policy solutions to lowering these barriers;
- 4) Identify an open area of inquiry in development economics, pose a research question related to this area, and develop a research design to begin investigating potential answers.

This coursework is appropriate for Ph.D. students in the Department of Politics and Economics. Knowledge of statistics, research design, or econometrics will be helpful.

Important dates

1/17 Sign-ups for project pitches due
2/14 Virtual class
3/7 Midterm
3/21 Paper topic due
5/2 Presentations
5/8 Final paper due

Assignments

Readings and discussion

Every week, there will be anywhere between 2 and 4 required readings. It is expected that you complete these readings before the start of class. If you are running out of time, the paper introduction almost always provides a comprehensive summary. Beyond this, I encourage you to spend time with the theory and research design sections; all of the papers are innovative in one or both. Some weeks also have optional readings that you may find interesting or useful; these are not required.

Note that with the exception of book chapters and unpublished/forthcoming papers (which are on Canvas) you will need to find the assigned articles yourself online. Looking up the readings on Google Scholar or The Claremont Colleges library catalog will provide you with valuable research skills. Reach out to me if you are having trouble finding the readings. You can begin searching for articles at <https://library.claremont.edu>.

Participation in discussion is fundamental to this seminar-style class. I expect you to come prepared to answer discussion questions and pose several of your own.

Reading questions

Every class, you must submit **at least one** question for **every required reading** through Canvas. These questions may be big or small. They can be about something you didn't understand, a critique, or a research question.

Individual project pitches

One of the hardest parts of doing research is coming up with ideas. I have found that the best way to do so is to get used to pitching ideas early and often. Most ideas are not immediately tractable, but the more you come up with, the better your hit rate will be.

Pitching ideas and responding to your peers' ideas will be a weekly feature of this class. All students will sign up for **TWO** slots as pitch leaders here: <https://bit.ly/3IbHbqm>

Every class (in the third hour), each pitch leader will be responsible for proposing a research idea. The pitch should include:

- A research question related to the unit for the week. It can be an extension or alteration of the design used in one of the papers.
- Why this research question matters either from a policy perspective OR how answering this research question will make a contribution to the literature covered in the unit
- Where the proposed project would take place
- The needed data or research methodology for the proposed project. Assume money is no object and logistical hurdles are few

The pitches should be no more than 5-10 minutes. Do not agonize over them. The point is to generate ideas quickly.

Classmates are then responsible for discussing the proposed idea. **Please be courteous and constructive.** Think about how to make the proposal better, rather than a statement on why you don't like it. It is also helpful and important to highlight what you do like about the proposal.

Bottom line: be generous in your interpretation of ideas, colleagues, and issues. Always aim to see the best version of them and help them.

Midterm (group)

There will be no class during the March 7 week of class. The week will be devoted to an open-book take-home exam. This will consist of one essay question to which you are expected to write a 5 page double-spaced response. You may take as long as you require during the week.

You may work in groups of up to **three** on the midterm. Each group midterm should include a short attestation on each author's contribution. Midterms completed in groups will be held to higher standard.

Research proposals

The final assignment for this class will be 10-page double spaced project proposal. This proposal can, but does not have to be, related to one of the ideas you propose as a project pitch leader. Final papers should include

- A research question
- A literature review explaining the significance of the research idea
- A proposed methodology including either a plan for collecting data or pre-existing data sources that could be used to answer the question

As with the midterm, you may work in groups of up to **three**. Papers completed in groups will be held to higher standard.

Paper topics are due on 3/21.

The last class session will be devoted to workshopping your research ideas. You may either a) present your full proposal or b) share a draft proposal with the class one week before the workshop.

Grading Plan

<i>Class Element</i>	<i>Weight</i>
Participation	20%
Weekly questions	10%
Project Pitches	10%
Midterm	20%
Presentation	20%
Final paper	20%

Class schedule and readings

Part I: Household barriers to growth

1/17 Introduction

Banerjee, Abhijit V., and Esther Duflo. "The economic lives of the poor." *Journal of Economic Perspectives*, 2007.

Balboni, Clare, Oriana Bandiera, Robin Burgess, Maitreesh Ghatak, and Anton Heil. "Why do people stay poor?" *The Quarterly Journal of Economics*, 2022.

Optional

"What randomization can and cannot do: The 2019 Nobel Prize" commentary by Kevin Bryan. *VoxEU*, 2019.

<https://cepr.org/voxeu/columns/what-randomisation-can-and-cannot-do-2019-nobel-prize>

Banerjee, Abhijit. "Big Answers for Big Questions: The Presumption of Growth Policy." Paper for the Brookings conference on "What Works in Development? Thinking Big and Thinking Small." June 30, 2008.

https://www.brookings.edu/wp-content/uploads/2012/04/2008_banerjee.pdf

“What’s the latest research in Development Economics? A roundup from NEUDC 2022” by Almedina Music and David Evans. Center for Global Development, 2022.

<https://www.cgdev.org/blog/whats-latest-research-development-economics-roundup-neudc-2022>

1/24 Consumption smoothing

Morduch, Jonathan. "Income smoothing and consumption smoothing." *Journal of Economic Perspectives*, 1995.

Adhvaryu, Achyuta, Namrata Kala, and Anant Nyshadham. "Booms, busts, and household enterprise: Evidence from coffee farmers in Tanzania," *World Bank Economic Review*, 2013.

Bryan, G., S. Chowdhury, and A. Mobarak. "Underinvestment in a profitable technology: The case of seasonal migration in Bangladesh", *Econometrica*, 2014.

Optional

Karlan, Dean, Robert Osei, Isaac Osei-Akoto, and Christopher Udry. "Agricultural decisions after relaxing credit and risk constraints." *The Quarterly Journal of Economics*, 2014.

Burke, Marshall, Lauren Falcao Bergquist, and Edward Miguel. "Sell low and buy high: arbitrage and local price effects in Kenyan markets." *The Quarterly Journal of Economics*, 2019.

1/31 Credit

Chapters 1-2, Armendáriz, Beatriz and Jonathan Morduch. *The Economics of Microfinance*, 2007.

Ferrara, Eliana La. "Kin groups and reciprocity: A model of credit transactions in Ghana." *American Economic Review*, 2003.

Optional

Van Rooyen, Carina, Ruth Stewart, and Thea De Wet. "The impact of microfinance in sub-Saharan Africa: a systematic review of the evidence." *World Development*, 2012.

Anderson, Siwan and Jean-Marie Baland. "The Economics of ROSCAs and Intrahousehold Allocation," *Quarterly Journal of Economics*, 2002.

2/7 Labor

Jayachandran, Seema. "Selling labor low: Wage responses to productivity shocks in developing countries." *Journal of Political Economy*, 2006.

Breza, Emily, Supreet Kaur, and Yogita Shamdasani (2021). "Labor Rationing." *American Economic Review*, 2021

Carranza, Eliana, Aletheia Donald, Florian Grosset, and Supreet Kaur. "The social tax: redistributive pressure and labor supply." Working Paper, 2021.

Optional

Beaman, Lori, and Jeremy Magruder. "Who gets the job referral? Evidence from a social networks experiment." *American Economic Review*, 2012.

Atkin, David, Azam Chaudhry, Shamyla Chaudry, Amit K. Khandelwal, and Eric Verhoogen. "Organizational barriers to technology adoption: Evidence from soccer-ball producers in Pakistan." *The Quarterly Journal of Economics*, 2017.

2/14 Health/ Nutrition

Virtual class

Alsan, Marcella. "The effect of the TseTse fly on African development," *American Economic Review*, 2015.

Miguel, Edward, and Michael Kremer. "Worms: identifying impacts on education and health in the presence of treatment externalities," *Econometrica*, 2004.

Karing, Anne. "Social signaling and childhood immunization: A field experiment in Sierra Leone," working paper, 2021.

Optional

Miguel, Edward, and A. Mushfiq Mobarak. "The economics of the COVID-19 pandemic in poor countries", forthcoming *Annual Review of Economics*, 2022.

2/21 Education

Hanushek, Eric and Ludger Woessmann, "The role of cognitive skills in economic development," *Journal of Economic Literature*, 2008. 46(3), September 2008, pp. 607-668.

Duflo, Esther. "Schooling and labor market consequences of school construction in Indonesia: Evidence from an unusual policy experiment," *American Economic Review*, 2001.

Akresh, Richard, Daniel Halim, and Marieke Kleemans. "Long-term and intergenerational effects of education: Evidence from school construction in Indonesia," Working Paper, 2018.

Optional

Ashraf, Nava, Natalie Bau, Nathan Nunn, and Alessandra Voena. "Bride price and female education." *Journal of Political Economy*, 2020.

2/28 Psychological constraints

Mani, Anandi, Sendhil Mullainathan, Eldar Shafir, and Jiaying Zhao. "Poverty impedes cognitive function." *Science*, 2013.

Kaur, Supreet, Sendhil Mullainathan, Suanna Oh, and Frank Schilbach. "Does financial strain lower productivity?" Working paper, 2019.

Angelucci, Manuela, and Daniel Bennett. "The economic impact of depression treatment in India: Evidence from community-based provision of pharmacotherapy." Working paper, 2022.

3/7 Midterm

3/14 Spring Break

Part II: Community-level, market, and regional barriers to growth

3/21 Ethnic and social divisions

Hjort, Jonas. "Ethnic divisions and production in firms." *The Quarterly Journal of Economics*, 2014.

Miguel, Edward, and Mary Kay Gugerty. "Ethnic diversity, social sanctions, and public goods in Kenya." *Journal of Public Economics* 89, 2005.

Asher, Sam, Paul Novosad, and Charlie Rafkin. "Intergenerational mobility in India: New methods and estimates across time, space, and communities." Working Paper, 2022.

Optional

Laitin, David D., and Rajesh Ramachandran. "Linguistic diversity, official language choice and human capital." *Journal of Development Economics*, 2022.

3/28 Infrastructure

Donaldson, Dave. "Railroads of the Raj: Estimating the impact of transportation infrastructure," *American Economic Review*, 2018.

Asher, Sam, and Paul Novosad. "Rural roads and local economic growth", *American Economic Review*, 2020.

Jensen, Robert. "The digital divide: Information (technology), market performance, and welfare in the South Indian fisheries sector." *The Quarterly Journal of Economics*, 2007.

Optional

Duflo, Esther, and Rohini Pande. "Dams." *The Quarterly Journal of Economics* 122, 2007.

4/14 Political Institutions

Acemoglu, Daron, Suresh Naidu, Pascual Restrepo, and James A. Robinson. "Democracy does cause growth." *Journal of Political Economy*, 2019.

Dell, Melissa. "Trafficking Networks and the Mexican Drug War." *American Economic Review*, 2015.

George, Siddharth Eapen, and Dominic Ponattu. "Like father, like son? The effect of political dynasties on economic development." Working Paper, 2019.

Optional

Dal Bó, Ernesto, Frederico Finan, and Martín A. Rossi. "Strengthening state capabilities: The role of financial incentives in the call to public service." *The Quarterly Journal of Economics*, 2013.

4/11 Corruption

Olken, Ben and Patrick Barron. "The simple economics of extortion: Evidence from trucking in Aceh," *Journal of Political Economy*, 2009.

Samphantharak, Krislert, and Edmund J. Malesky. "Predictable corruption and firm investment: evidence from a natural experiment and survey of Cambodian entrepreneurs." *Quarterly Journal of Political Science*, 2008.

Optional:

Sequeira, Sandra, and Simeon Djankov. "An empirical study of corruption in ports," Working Paper, 2010.

Avis, Eric, Claudio Ferraz, and Frederico Finan. "Do government audits reduce corruption? Estimating the impacts of exposing corrupt politicians." *Journal of Political Economy*, 2017.

4/18 Conflict

Ray, Debraj, and Joan Esteban. "Conflict and development." *Annual Review of Economics*, 2017.

Davis, Justine. "Parochial altruism in civil society leaders: Legacies of contested governance." Working Paper, 2022.

Dell, Melissa, and Pablo Querubin. "Nation Building through Foreign Intervention: Evidence from Discontinuities in Military Strategies." *Quarterly Journal of Economics*, 2018.

4/25 Property rights

Besley, Timothy, and Maitreesh Ghatak. "Property rights and economic development." *Handbook of development economics*. Elsevier, 2010. 4525-4595.

Field, Erica. "Entitled to work: Urban property rights and labor supply in Peru." *The Quarterly Journal of Economics* 122, 2007.

Blattman, Christopher, Alexandra C. Hartman, and Robert A. Blair. "How to promote order and property rights under weak rule of law? An experiment in changing dispute resolution behavior through community education." *American Political Science Review* 108, 2014.

5/2 Presentations

5/8 Papers due

Expectations and Logistics

Please read the items on the schedule prior to class. Your participation is essential to a successful experience for all.

Please submit assignments through Canvas. Assignments submitted in any other way will not be graded.

Late assignments will typically incur a half grade letter penalty per day unless you have a reasonable excuse.

You can expect feedback on your assignments in 14 days.

University Resources for Students

Access to university resources and policies can be found in Canvas using the left navigation menu.

Final Grades

Your grade will be calculated using the following scale. Grades with plus or minus designations are at the professor's discretion.

<i>Letter Grade</i>	<i>Grade Point</i>	<i>Description</i>	<i>Learning Outcome</i>
A	4.0	Complete mastery of course material and additional insight beyond course material	Insightful
B	3.0	Complete mastery of course material	Proficient
C	2.0	Gaps in mastery of course material; not at level expected by the program	Developing
U	0.0	Unsatisfactory	Ineffective

In exceptional circumstances (e.g., illness) that prevent a student from completing assigned coursework, and provided that the student's work to date is satisfactory, the instructor may assign an I (Incomplete) grade along with a date for successful submission of course assignments and requirements.

Continual matriculation at CGU requires a minimum grade point average (GPA) of 3.0 in all coursework taken at CGU. Students may not have more than two incompletes at one time.

CGU policies on grades, including incomplete grades, registration and enrollment can be found on the Registrar's webpage: <http://www.cgu.edu/registrar>.