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Development Microeconomics

A good general reference for the theory underlying this course, and the level at which it will be pitched, is Bardhan and Udry (1999). The focus of the course will be on how to go from rigorous micro theory to the appropriate empirical test, as illustrated by a selection of classic papers in the field, as well as several more recent papers that are worth looking at. A solid knowledge of micro theory at the level of Varian (1992) and microeconometrics at the level of Wooldridge (2001) will make your life easier.

1 Nutrition

Is one poor because one is hungry or *vice versa*? The classic on the topic: Dasgupta and Ray (1986); followed by three standard empirical applications: Strauss (1986), Behrman and Deolalikar (1987), Subramanian and Deaton (1996).

2 Health

The classic link between health/nutrition and wages, with some clever econometric tricks involving instrumentation combined with sample selection: Thomas and Strauss (1997). One of the most famous *randomista* papers: Miguel and Kremer (2004). My favorite DID paper: Galiani, Gertler, and Schargrodsy (2005). And finally, the impact, 50 years later, of one of history's worst pandemics: Almond (2006).

3 Household models

Do departures from the First Best Optimum stem from market failures or problems within households? For the former, read Benjamin (1992), for the latter, the superb paper by Udry (1996). Alternatives to the unitary model, with the appropriate econometric applications: Thomas (1990), Thomas (1994), Lundberg, Pollak, and Wales (1996), Chiappori, Fortin, and Lacroix (2002), Goldstein and Udry (2008), Ashraf (2009).

4 Education

Back to a superb version of the unitary model, but with crisp empirical predictions concerning child labor: Rosenzweig (1990). Esther Duflo's first famous paper: Duflo (2001). The first use of RDD in economics (political scientists have been using it since 1963...): Angrist and Pischke (1999), with a more recent application: Urquiola and Verhoogen (2009). Finally, the interaction between the Green Revolution and the returns to education: Foster and Rosenzweig (1996).

5 Measuring poverty and missing women

The statistical underpinnings of poverty maps: Elbers, Lanjouw, and Lanjouw (2003). Empirical contributions to the most important global problem that nobody talks about in the media (several hundred million "missing women"): Rose (1999) and especially Qian (2008).

6 Moral hazard, sharecropping and migration

The classic on measuring moral hazard: Foster and Rosenzweig (1994) and that on sharecropping: Shaban (1987), with the contribution of your humble servant to both topics: Arcand, Ai, and Ethier (2007). Mexican migration networks: Munshi (2003), and philippino ones: Yang (2008).

7 Risk, saving, credit and insurance

An incredibly useful empirical methodology: Paxson (1992), and the basic test for full insurance: Townsend (1994). Two classics on consumption smoothing: Rosenzweig and Wolpin (1993) and Fafchamps, Udry, and Czukas (1998). A controversial paper on microfinance: Pitt and Khandker (1998). And two examples of imaginative uses of RCTs: Karlan and Zinman (2009) and Bertrand, Karlan, Mullainathan, Shafir, and Zinman (2010).

8 Learning, property rights, networks

Estimation of learning mechanisms amongst neighbors: two splendid papers by Foster and Rosenzweig (1995) and Conley and Udry (2010). The effects of property rights on investment: Besley (1995). Village social networks in Mozambique: Bandiera and Rasul (2006), and in West Africa: Arcand and Fafchamps (2012).

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