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**Microeconomics of Development**  
**ARE 251 - Economics 270A**  
**Second Half – Fall 2003**

Some Useful Books:

AHS = Deaton, Angus (1997) *The Analysis of Household Surveys: Microeconomic Analysis for Development Policy*. Baltimore: Johns Hopkins University Press for the World Bank.

Ray, Debraj (1998) *Development Economics*. Princeton University Press.

Bardhan, Pranab and Christopher Udry (1999) *Development Microeconomics*. Oxford: Oxford University Press.

**1. Concepts and Indicators of Welfare (1 class)**

Kravis, I. B., Heston, A. W. and R. Summers (1978) “Real GDP Per Capita for more than One Hundred Countries,” *Economic Journal*, 88, pp. 215-42.

Deaton, Angus, and Salman Zaidi (1998) “Guidelines for Constructing Consumption Aggregates for Welfare Analysis”, LSMS Working Paper 133, World Bank, Washington, **and** AHS, Ch. 4.3. The working paper is available at: [http://www.worldbank.org/lsms/research/wp/a121\\_140.html#wp135](http://www.worldbank.org/lsms/research/wp/a121_140.html#wp135).

Human Development Report (1990) United Nations’ Development Programme.

Atkinson, Atkinson B. and Andrea Brandolini (2001) “Promise and Pitfalls in the Use of ‘Secondary’ Data -Sets: Income Inequality in OECD Countries” *Journal of Economic Literature*. Vol. 39, no. 3.

Deaton, Angus (2003) “Measuring Poverty in a Growing World (or Measuring Growth in a Poor World),” BREAD working paper no. 36. Available at: <http://www.cid.harvard.edu/bread/papers/016.pdf>.

**2. Poverty and Inequality (3 classes)**

Atkinson, A.B. (1989) *Poverty and Social Security*. New York: Harvester Wheatsheaf, Chapters 1 and 2. (Chapter 2 is reprinted from *Econometrica*, (1987) Vol. 55, pp. 749-64).

Ravallion, Martin (1994) *Poverty Comparisons*. Harwood Academic Publishers.

Ravallion, Martin (1996) “Issues in Measuring and Modelling Poverty,” *The Economic Journal*, Vol. 106, pp. 1328-43.

Lanjouw, Peter and Nicholas Stern (1991) "Poverty in Palanpur," *World Bank Economic Review*. Vol. 5, no. pp. 23-55. And in Lanjouw, P.F., and Stern, N.H. (eds) (1998): *Economic Development in Palanpur Over Five Decades* (Oxford: Oxford University Press).

Howes, Stephen and J. O. Lanjouw (1998) "Does Sample Design Matter for Poverty Comparisons?" *Review of Income and Wealth*. Series 44, no. 1. pp. 99-109.

Sen, Amartya with James Foster (1998) *On Economic Inequality*. Oxford: Oxford University Press.

Haddad, Lawrence and Ravi Kanbur (1990) "How Serious is the Neglect of Intra-Household Inequality?" *The Economic Journal*. Vol. 100. pp. 866-881.

Atkinson, A.B. and F. Bourgignon (1987) "Income Distribution and Differences in Needs," in George R. Feiwel (ed.) *Arrow and the Foundations of the Theory of Economic Policy* (London: Macmillan Press).

### **3. Disaggregated Estimation and Targeting** (2 classes)

Elbers, Chris, J.O. Lanjouw and Peter Lanjouw. (2003) "Micro-Level Estimation of Poverty and Inequality," *Econometrica*. Vol. 71, no. 1, pp. 355-64.

McKenzie, David J. (2003) "Measuring Inequality with Asset Indicators," BREAD Working Paper no. 042. Available: at <http://www.cid.harvard.edu/bread/042.htm>.

Coate, Steven and Timothy Besley (1992) "Workfare vs. Welfare Incentive Arguments for Work Requirements in Poverty-Alleviation Programs," *American Economic Review*. Vol. 82, no. 1, pp. 249-61.

Datt, G. and M. Ravallion (1994) "Transfer Benefits from Public-works Employment: Evidence for Rural India," *The Economic Journal*. Vol 104, no. 427, pp. 1346-1369.

Jacoby, Hanan (1997) "Self-selection and the redistributive impact of in-kind transfers – an econometric approach," *Journal of Human Resources*. Vol. 32, no. 2, pp. 233-49.

### **4. Intra-Household Allocations** (2 classes)

Chen, M. and J. Dreze (1992) "Widows and Well-Being in Rural North India," Development Economics Research Programme Working Paper no. 40. STICERD. London School of Economics.

Sen, Amartya (1990) "More Than 100 Million Women are Missing," *New York Review of Books*. (December 20, 1990) pp. 61-66.

Deaton, Angus (1989) "Looking for Boy-Girl Discrimination in Household Expenditure Data," *World Bank Economic Review*. Vol. 3, no. 1, pp. 1-15. **and** AHS, ch. 4.2.

Thomas, Duncan (1990) "Intra-Household Resource Allocation: An Inferential Approach," *Journal of Human Resources*, Vol. 25, pp. 635-664.

Pitt, M., Rosenzweig, M. and M. D. Hassan (1990) "Productivity, Health and Inequality in the Intrahousehold Distribution of Food in Low-Income Countries," *American Economic Review*, December, pp. 1139-56.

Lundberg, Shelly and Robert A. Pollak (1996) "Bargaining and Distribution in Marriage," *Journal of Economic Perspectives*, Vol. 10, no. 4, pp. 193-58.

Bergstrom, Theodore C. (1996) "Economics in a Family Way," *Journal of Economic Literature*, Vol. 34, no. 4, pp. 1903-34.

Lundberg, Shelly, Robert A. Pollak, and Terence J. Wales (1997) "Do Husbands and Wives Pool their Resources?" *Journal of Human Resources*, Vol. XXXII, no. 3, pp. 462-80.

Udry, Christopher (1996) "Gender, Agricultural Production, and the Theory of the Household," *Journal of Political Economy*, Vol. 104 (5), pp. 1010-1045.

Duflo, Esther and Christopher Udry (2003) "Intrahousehold Resource Allocation in Côte d'Ivoire: Social Norms, Separate Accounts and Consumption Choices," BREAD working paper no. 016. Available at: <http://www.cid.harvard.edu/bread/papers/016.pdf>

## **5. Agricultural Land/Labor Contracts (2 classes)**

Eswaran, M. and A. Kotwal (1985) "A Theory of Contractual Structure in Agriculture," *American Economic Review*, Vol. 75, no. 3, pp. 352-67.

Shaban, R. (1987) "Testing Between Competing Models of Sharecropping," *Journal of Political Economy*, Vol. 95, no. 5, pp. 893-920.

Lanjouw, J. O. (1999) "Information and the Operation of Markets: Tests Based on a General Equilibrium Model of Land Leasing in India," *The Journal of Development Economics*, Vol. 60, no. 2, pp. 497-528.

Banerjee, Abhijit, Paul Gertler and Maitresh Ghatak (2002) "Empowerment and Efficiency: Tenancy Reform in West Bengal," *Journal of Political Economy*, Vol. 110, no. 2, pp. 239-280.

## **6. Property Rights in Land (2 classes)**

De Soto, Hernando (1989) *The Other Path: The Invisible Revolution in the Third World*. (New York: Harper and Row, Publishers.) More recently: (2000) *The Mystery of Capital*. (London: Bantam Press/Random House).

Friedman, J., Jimenez, E. and Mayo, S. (1988). 'The demand for tenure security in developing countries.' *The Journal of Development Economics*, vol. 29, no. 2, pp. 185-98

Feder, Gershon (1987) "Land Ownership Security and Farm Productivity," *Journal of Development Studies*, pp. 16-30.

Besley, Timothy (1995). 'Property rights and investment incentives: theory and evidence from Ghana.' *Journal of Political Economy*, vol. 103, no. 5, pp. 903-37.

Jacoby, Hanan, Li, Guo, and Scott Rozelle (2002) "Hazards of Expropriation: Tenure Insecurity and Investment in Rural China," *American Economic Review*, vol. 92, no. 5, pp. 1420-47.

Carter, Michael and Pedro Olinto (2003) Getting Institutions "Right" for Whom? Credit Constraints and the Impact of Property Rights on the Quantity and Composition of Investment," *American Journal of Agricultural Economics*. Vol. 85, no. 1, pp. 173-86.

Fields, Erica (2002) "Entitled to Work: Urban Property Rights and Labor Supply in Peru," memo. Princeton University.

Lanjouw, J. O. and Philip Levy (2002) "Untitled: A Study of Formal and Informal Property Rights in Urban Ecuador," *The Economic Journal*. Vol. 112, pp. 986-1019.

## **7. Economics in the Design of Development Policy: A Case Study of LDC Access to Pharmaceuticals** (1 class)

Kremer, Michael (2000) "Creating Markets for New Vaccines Part I: Rationale and Part II: Design Issues." In Adam B. Jaffe, Josh Lerner, and Scott Stern (eds.) *Innovation Policy and the Economy*, Vol. 1. pp. 35-119. Available at: <http://post.economics.harvard.edu/faculty/kremer/vaccine.html>.

*TRIPS and Pharmaceutical Patents*. WTO Fact Sheet. April 2001. Available at: [http://www.wto.org/english/tratop\\_e/trips\\_e/factsheet\\_pharm00\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/factsheet_pharm00_e.htm).

*Drug Patents Under the Spotlight: Sharing Practical Knowledge about Pharmaceutical Patents*. Médecins Sans Frontières, Paris. Available at: <http://www.acessmed-msf.org> under "publications".

Lanjouw (1997) "The Introduction of Product Patents in India: 'Heartless Exploitation of the Poor and Suffering'?" NBER Working Paper no. 6366.

*Integrating Intellectual Property Rights and Development Policy*. Report of the Commission on Intellectual Property Rights, United Kingdom. Ch. 2: "Health." Available at <http://www.iprcommission.org>.

Lanjouw, J. O. (2003) "Intellectual Property and the Availability of Pharmaceuticals in Poor Countries," Adam B. Jaffe, Josh Lerner, and Scott Stern (eds.) *Innovation Policy and the Economy*. Vol. 3, pp. 91-130. (MIT Press: Cambridge, MA). Available at: <http://www.cgdev.org/fellows/lanjouw.html>, as working paper no. 5.

Lanjouw, J.O. (2003) "A Proposed Solution to the TRIPS Debate over Pharmaceuticals," Technological Innovation and Intellectual Property Newsletter. Issue 2003.3. Available at <http://www.researchoninnovation.org/tiip/index.htm>.

## **8. Technology Adoption (1 class)**

Foster, Andrew and Mark Rosenzweig (1995) "Learning by Doing and Learning from Others: Human Capital and Technical Change in Agriculture," *Journal of Political Economy*, Vol. 103, no. 6, pp. 1176-1209.

Conley, Timothy and Christopher R. Udry (2003) "Learning about a New Technology: Pineapple in Ghana," Mimeo. July 2003. Available at: <http://www.econ.yale.edu/~cru2/pdf/conleyudry.pdf>