

MICROECONOMICS OF DEVELOPMENT *Course Requirements*

This course is the first part of the Development Sequence. It addresses issues in the microeconomics of development. It is taught by Jenny Lanjouw for the first half of the semester and Elisabeth Sadoulet and Alain de Janvry for the second half. The Spring semester will be taught by Ted Miguel. It will address issues in growth and public policy.

In the course of the semester, you will be given 3 types of assignments.

1. Research ideas (2)

Twice in the semester, you will write a 1-2 page (maximum) statement on a research idea of your choice related to the themes that have been covered in class. It should include a presentation of the issue (don't forget to explain why it is important), a statement of why the issue comes about (identify trade-offs, constraints, outcomes, including if this is the case heterogeneity in outcomes), a testable hypothesis, and the strategy (data, analysis) that would be followed to test the hypothesis.

2. Model solving (2)

Twice in the semester, you will be given a short problem set, requiring mathematical derivation. This is to ensure the transfer of knowledge from your first year courses to the field of application!

3. Longer assignments (4)

There are four longer assignments that cover a variety of skills:

- Assignment 1: An empirical assignment.
- Assignment 2: Short (5 pages maximum) written report on a current development issue, with random drawing of topic and 10 minutes class presentation. These will be redistributed and each student will also provide comments on two papers by peers.
- Assignment 3: A referee report on one paper that will be handed in class.
- Assignment 4: A short (not more than 8 pages) research proposal. The proposal should include
 - An introduction motivating the subject chosen and the specific contributions that you intend to make.
 - Then a synthesis of 3 papers that would serve as the basis for the development of your proposal. This synthesis should be a sharp description/assessment of the papers that you have chosen, with emphasis on what you find most interesting in and want to retain from them, and their limits/errors that justify your own research.
 - In the proposal itself, you should advance a working hypothesis. You should then use/extend a theoretical model and develop a strategy to test some of its derived propositions.

The theoretical model should be based on at least one of your three selected articles. Extensions are often developed by incorporating in the model an idea taken from another paper or applying the idea to a problem that is posed differently.

For the empirical strategy, particular attention should be given to the feasibility and pertinence of the tests that you propose, in terms of required information and identification.

4. Deadlines: Late assignments will not be accepted

September 14: Research idea #1
September 21: Assignment 1: Empirical
October 5: Assignment 2: Report on a current development issue
October 7: Presentation of policy issues
October 14: Research idea #2

October 19: Mid-term exam

October 28: Problem solving #1
November 9: Assignment 3: Referee report
November 23: Problem solving #2
December 2: Assignment 4: Research proposal

Final examination: Monday December 13th 10 – 11:30 am

5. Course grade

The grade will be based on the following items:

Four assignments	50%
Midterm examination,	25%
Final examination,	25%

Research ideas and problem solving are not graded. However, non-completion of any of them will induce a lowering of the overall class grade by up to a full grade point.

The mid-term and final examinations will be based on class notes, assigned readings (usually one per class), and lessons from the assignments.

6. Office hours

Elisabeth Sadoulet: Fridays, 2:00-3:30 pm, 213 Giannini Hall, sadoulet@are.
Alain de Janvry: Fridays, 2:00-3:30 pm, 211 Giannini Hall, alain@are.
Jenny Lanjouw: Wednesday 2:00-3:30 pm, 219 Giannini Hall, lanjouw@are

Information will be posted on the course homepage as it becomes available
<http://are.Berkeley.EDU/courses/ARE251/2004/index.html>